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**LEASE AND OPERATING AGREEMENT**

**By and Between**

**PHILADELPHIA REGIONAL PORT AUTHORITY**

**and**

**DELAWARE RIVER STEVEDORES, INC.**

**DATED: February 20, 1998**



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#### Exhibits

"A"	The Premises
"B"	Permitted Exceptions
"C"	Leases and Contracts
"D-1"	Guaranty by International Terminal Operating Co., Inc.
"D-2"	Guaranty by Stevedoring Services of America, Inc.
"E"	Inventory of Crane Parts
"F"	Obligations Which Are Not Assumed by DRS
"G"	Load Limits
"H"	Guidelines Regarding Explosives
"I"	Employment Practices Requirements
"J"	DRS Integrity Provisions
"K"	Activity Report



THIS LEASE AND OPERATING AGREEMENT (this "Agreement") is made this 20th day of February, 1998 by and between the **PHILADELPHIA REGIONAL PORT AUTHORITY** ("PRPA"), a body corporate and politic and an independent agency of the Commonwealth of Pennsylvania, having its principal place of business at 210 West Washington Square, Philadelphia, Pennsylvania, 19106 and **DELAWARE RIVER STEVEDORES, INC.** ("DRS"), a corporation incorporated under the laws of the Commonwealth of Pennsylvania, having its principal place of business at 441 North Fifth Street, Suite 303, Philadelphia, Pennsylvania 19123.

**WITNESSETH:**

WHEREAS, PRPA owns or leases the Premises (as hereinafter defined at Section 1.1); and

WHEREAS, PRPA is authorized under Section 6 of the Act of July 10, 1989, P.L. 55, P.S. Sections 697.1-697.24 (the "PRPA Act") of the General Assembly of the Commonwealth of Pennsylvania (the "Commonwealth") to make and enter into contracts for the leasing, management and operation of "port facilities," as such are defined in the PRPA Act; and

WHEREAS, the Board of PRPA wishes, on the basis of responses submitted on December 19, 1997 to PRPA's Request for Proposals dated September 19, 1997 and pursuant to Board Resolution No. 1998-06 adopted on January 23, 1998, to lease the Premises to DRS and to provide for the operation and management of the Premises by DRS; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the parties hereby agree as follows:

**ARTICLE I - GRANT OF LEASE; INDEPENDENT OPERATOR**

**1.1 Grant.**

1.1.1 PRPA hereby demises, leases, and rents to DRS, and DRS hereby leases from PRPA, the following property under the terms and conditions set forth herein (the "Premises"):

(i) the real property as more particularly described in the narrative description and as shown on the plan, both of which are attached hereto as Exhibit "A", and commonly known as the Tioga Breakbulk Terminal, Tioga Marine Terminal, and Tioga Container Terminal, together with all appurtenant rights thereto; and

(ii) such buildings, structures, facilities and improvements which are presently on the real property described in and shown on Exhibit "A" and all fixtures and equipment thereon (exclusive of any such fixtures or equipment owned by lessees or sublessees of PRPA) and any and all cranes located at any time thereon including, without limitation, the two (2) Kocks cranes presently located thereon (the "Cranes").



1.1.2 This Agreement and the Premises shall be subject to (i) the permitted exceptions set forth in Exhibit "B" hereto (the "Permitted Exceptions"); provided, however, that to the extent any of the Permitted Exceptions prevents DRS from performing any of its obligations pursuant to Article IV hereof, such performance shall be excused but if such non-performance pertains to a material obligation on the part of DRS, PRPA may terminate this Agreement upon notice to DRS, and (ii) the leases and contracts set forth on Exhibit "C" hereto, which shall have been assigned to DRS as of the Commencement Date pursuant to Section 7.5.2 hereof.

1.2 Independent Contractor. DRS shall be an independent contractor in the performance of its obligations under this Agreement. Any employees of DRS hired to perform services or activities at the Premises shall be the employees of DRS solely, and PRPA shall not be a joint employer of any of DRS' employees. In addition, any employees of any company contracted by DRS to perform any services shall be the employees of such company solely, and PRPA shall not be a joint employer of any such employees. DRS and any company contracted by DRS shall have the exclusive right to supervise and direct the day-to-day activities of all persons who perform services for them, and they shall have sole responsibility with respect to such persons, including without limitation the responsibility to determine and pay their wages and any benefits, to fulfill all applicable requirements under any collective bargaining agreements and to pay all federal, state and local taxes or contributions imposed or required under unemployment, workers' compensation, social security, wage and income tax laws with respect to them. There shall be no direct or indirect participation by PRPA in any employee relations matters concerning those persons employed by or through DRS.

1.3 Use of the Premises.

1.3.1 DRS shall use the Premises as a marine terminal, which is hereby defined as a facility for: (i) the docking and mooring of vessels; (ii) the receipt, assembling, distributing, moving, loading and unloading of merchandise, goods and cargo in containers, bulk and breakbulk into and from such vessels, trucks and railcars; (iii) the provision of berth space and/or terminal services to vessels of all kinds; (iv) the consolidating, stuffing and stripping, storing and warehousing of merchandise, goods and cargo; (v) transferring merchandise, goods and cargo to, from and between cargo vessels of all kinds, trucks and railcars; and (vi) marine activities similar to the foregoing as approved by the PRPA (collectively, and together with any and all uses permitted under the leases set forth on Exhibit "C" hereto, the "Permitted Use"). DRS shall not use the Premises for any purpose other than the Permitted Use. If, in the reasonable opinion of PRPA, the Premises or any part thereof is being used for any use or purpose other than the Permitted Use, DRS shall immediately cease, or cause any tenant, licensee or occupant of the Premises to cease, such improper use following receipt of notice from PRPA to DRS. DRS' failure to comply with such notice shall constitute a default by DRS of this Agreement, entitling PRPA to exercise its remedies under Article XVIII, without the necessity of PRPA providing DRS with any additional notice; provided, however, that if any tenant, licensee or occupant of the Premises is using the Premises for any purpose other than the Permitted Use, DRS shall have a reasonable period of time to cause the cessation of such improper use (provided that DRS uses its best efforts to commence, within fifteen (15) calendar days following notice of such use, all



necessary and appropriate action to cause the cessation of such improper use and diligently proceed in the prosecution of such action as expeditiously as possible).

1.3.2 DRS shall not use or permit the Premises to be used in whole or in part during the Term of this Agreement for any purpose or for any use in violation of, and shall operate the Premises in compliance with, any and all present or future laws, ordinances, general rules or regulations of any Federal, State or local public or governmental authority or agency at any time applicable thereto (collectively "Laws") including, without limitation, the Laws of the Commonwealth and the City of Philadelphia, relating to, by way of example only and not limitation, sanitation or the public health, safety or welfare, or navigational use of the port and port facilities.

## ARTICLE II - COMMENCEMENT DATE; TERM

2.1 Commencement Date. The term of this Agreement shall commence upon the date that all the following conditions have been satisfied (the "Commencement Date"):

(i) execution and delivery of the Letter of Credit as provided for in Section 5.1 of this Agreement;

(ii) execution and delivery of the Guaranties as provided for in Section 5.2 of this Agreement;

(iii) receipt of an inspection report pertaining to the state and condition of the Tioga Container Terminal and the Cranes reasonably satisfactory to DRS and PRPA, the cost of which inspection report shall be borne by PRPA. If such report indicates that the state and condition of the Cranes requires certain repairs to put same in good operating condition and the cost of such repairs is less than or equal to \$10,000.00, such cost shall be borne by DRS. However, if the cost of such repairs is greater than \$10,000.00, PRPA shall bear the cost of such repairs. If such report indicates that the electrical systems at the Tioga Container Terminal are not in good working order (e.g., reefer plugs and lighting poles), PRPA shall bear the cost of putting same in good working order;

(iv) approval by the Office of the Attorney General of the Commonwealth and the Office of the Budget of the Commonwealth of the terms and provisions of this Agreement; and

(v) filing of this Agreement with the Federal Maritime Commission.

When the Commencement Date has been determined, as provided in this Section 2.1, PRPA shall deliver written notice to DRS specifying the Commencement Date and the Termination Date (as hereinafter defined). If the conditions specified in Section 2.1(i) and Section 2.1(ii) are not satisfied on or before March 6, 1998, PRPA may, in its sole and absolute discretion, terminate this Agreement in which case the parties hereto shall have no further liabilities or obligations under this Agreement. In addition, if the Commencement Date does not occur on or before April



1, 1998, PRPA may, in its sole and absolute discretion, terminate this Agreement in which case the parties hereto shall have no further liabilities or obligations under this Agreement.

2.2 Term. The term of this Agreement (the "Term") shall begin on the Commencement Date and end on the date which is the fifth (5th) anniversary of the Commencement Date (the "Termination Date"), unless extended or sooner terminated.

2.3 Surrender of Possession; Holdover. DRS shall peaceably deliver up and surrender possession of the Premises to PRPA at the expiration or termination of this Agreement. DRS shall not hold over in all or any part of the Premises after the termination or expiration of this Agreement without first obtaining the written approval of PRPA, which PRPA shall have no obligation whatsoever to grant. Any such holdover shall be deemed an extension of this Agreement on a month-to-month basis upon the same terms and conditions of this Agreement, except that DRS shall pay to PRPA as Rent during each month of the holdover period an amount equal to one-twelfth (1/12) of one hundred and fifty percent (150%) of the Rent, as hereinafter defined, payable for the twelve (12) months immediately preceding the inception of the holdover period. Nothing in this Section 2.3 shall be deemed to give DRS any right to hold over or to prevent PRPA from evicting DRS or pursuing any other remedies in the event of such holdover.

2.4 DRS' Inspection of the Premises and the Cranes. Within ten (10) business days following execution of this Agreement by DRS and PRPA, DRS shall have the right to conduct, or cause to be conducted, a condition survey (jointly with representatives or agents of PRPA) which shall reflect the state and condition of the Premises, the Cranes, improvements, structures and facilities located thereon (a "Base Line Survey").

### ARTICLE III - RENT; PAYMENTS

3.1 Base Rent. DRS, in consideration of this Agreement, shall pay to PRPA during the Term an annual base rent ("Base Rent") which shall be SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) per annum, payable in equal monthly installments in advance on the first day of each calendar month commencing as of the Commencement Date in the amount of SIXTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$62,500.00). Notwithstanding anything herein to the contrary, if the minimum number of vessel calls (whether container or breakbulk), TEUs, cases of perishable cargo or non-perishable breakbulk cargo volumes set forth in Sections 3.2, 3.3 and 3.4 of this Agreement are not exceeded at any time subsequent to the second year of this Agreement, the Base Rent payable hereunder shall be adjusted by the cumulative percentage increase, if any, in the United States Department of Labor, Bureau of Labor Statistics ("BLS"), Consumer Price Index, "United States City Average (not seasonally adjusted) for Urban Wage Earners and Clerical Workers, Selected Date (1982-84=100) All Items (less energy)" for the period since the Commencement Date. For purposes of determining the adjusted percentage, the Consumer Price Index as reported by the BLS two (2) months prior to the anniversary date of this Agreement will be used (by way of example only, if the Commencement Date is January, the Consumer Price Index as of November of the preceding year would be used for adjustment purposes). If the Consumer Price Index is replaced by an alternate means of cost price measurement, or the base year is changed, then such replacement



cost price measurement or adjusted base year (with appropriate conversions) shall be used. In no event shall recomputation or adjustment cause the aforementioned rates to be less than the rates payable for the immediately preceding year. If the BLS revises or corrects any number used for the calculation, the parties shall revise the calculations made under this Agreement.

3.2 Dockage Fees. In addition to Base Rent, on or before the 15th day of each calendar month during the Term of this Agreement, DRS shall pay to PRPA the following amounts, if any: (i) twenty five percent (25%) of the Dockage Fee (as hereinafter defined) per container vessel in excess of one hundred and four (104) calls per year at the Premises, and (ii) twenty five percent (25%) of the Dockage Fee per breakbulk vessel in excess of fifty (50) calls per year at the Premises. The term "dockage" shall mean the privilege of berthing a vessel or making such vessel fast to the wharf and shall be charged against the vessel, its owners, or operators in accordance with the rates and charges hereinabove specified. As used herein, "Dockage Fee" shall mean the amount per net registered ton assessed against each self-propelled vessel or non-propelled vessel, its owners or operators on the basis of the highest net registered tonnage of the vessel for the period the vessel remains at the berth for each 24 hour period, or fraction thereof. The period of time for which Dockage Fees shall be assessed against a vessel shall commence when such vessel is made fast to the wharf, bulkhead or to another vessel so berthed, and shall continue until such vessel has completely vacated such berth. Dockage Fees shall be calculated using the tariffs in effect from time to time pursuant to the Port of Philadelphia Marine Terminal Tariff Association, Number 6.

3.3 Wharfage Fees. In addition to Base Rent, on or before the 15th day of each calendar month during the Term of this Agreement, DRS shall pay to PRPA the following amounts, if any: (i) twenty five percent (25%) of the Wharfage Fee (as hereinafter defined) per container cargo in excess of 60,000 TEUs per year at the Premises, (ii) twenty five percent (25%) of the Wharfage Fee per volume in excess of 10,000,000 cases of perishable cargo per year at the Premises, and (iii) twenty five percent (25%) of the Wharfage Fee per non-perishable breakbulk volume in excess of 50,000 metric tons per year at the Premises. As used herein, "Wharfage Fee" shall mean the amount per net ton of cargo assessed against each vessel for the privilege of receiving cargo for a vessel or for loading or discharging cargo to or from the vessel or embarking or disembarking passengers while docked at a wharf or a pier at the Premises. Wharfage Fees shall be calculated using the tariffs in effect from time to time pursuant to the Port of Philadelphia Marine Terminal Tariff Association, Number 6.

3.4 Tonnage Fees. In addition to Base Rent, on or before the 15th day of each calendar month during the Term of this Agreement, DRS shall pay to PRPA the following amounts as tonnage fees (the "Tonnage Fees"), if any: (i) FIVE DOLLARS (\$5.00) per container cargo in excess of 60,000 TEUs per year at the Premises, (ii) ONE CENT (\$.01) per case for volumes in excess of 10,000,000 cases of perishable cargo per year at the Premises, and (iii) ONE DOLLAR (\$1.00) per metric ton on non-perishable breakbulk volumes in excess of 50,000 metric tons per year at the Premises.

3.5 Late Charges. As compensation to PRPA for costs and expenses involved in handling delinquent payments, all Rent, as hereinafter defined, fees, and other charges that remain due and unpaid for a period of ten (10) business days after the date they are due shall be



subject to a delinquency charge equal to FIFTY DOLLARS (\$50.00) per day from the date due until the charges have been paid. Said delinquency charge is a liquidated sum, payable on demand, to defray PRPA's costs arising from the delinquency, and is in addition to all other remedies that PRPA may have as provided in this Agreement or otherwise by law or in equity to enforce payment of Rent or other charges that have accrued and have not been paid.

3.6 Rent. All sums payable by DRS under this Agreement, whether or not stated to be Base Rent, Dockage Fees, Wharfage Fees, Tonnage Fees, additional Rent, charges, costs, expenses or otherwise denominated (herein collectively referred to as "Rent"), shall be collectible by PRPA as Rent and in the event of a default in payment thereof PRPA shall have the same rights and remedies as for a failure by DRS to pay Base Rent (without prejudice to any other right or remedy available therefor). All Rent shall be payable when due, without notice, demand, deduction or set-off, at the address of PRPA set forth in Section 22.1, or any other address of which PRPA shall hereafter give DRS written notice. If PRPA, at any time or times, shall accept any payment of Rent after the same shall be due and payable hereunder, or shall accept any lesser amount than the sum then due on account of Rent, such acceptance shall not excuse delay upon subsequent occasions or constitute or be construed as a waiver of any of PRPA's rights hereunder with respect to such late or partial payment. No payment by DRS of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and the PRPA may accept any such check or payment without prejudice to PRPA's right to recover the balance of such Rent or to pursue any other remedy provided for in this Agreement or available at law or in equity.

### 3.7 Operating Expenses.

3.7.1 In addition to Base Rent, DRS shall pay to PRPA, within fifteen (15) calendar days following demand by PRPA, an amount sufficient to pay all currently due real estate taxes, assessments (whether general or special) and other municipal charges, taxes or duties imposed against the Premises. To the best of PRPA's knowledge, no such taxes, assessments, charges or duties have been imposed upon the Premises for the past ten (10) years. However, in the event any such taxes, assessments, charges or duties in a material amount are imposed upon the Premises during the Term of this Agreement, PRPA and DRS agree to negotiate in good faith to endeavor to agree upon an equitable resolution regarding the payment of such impositions; provided, if the parties do not agree upon an equitable resolution within ninety (90) days from the date of any such imposition, PRPA and DRS shall each have the right to terminate this Agreement.

3.7.2 In addition to DRS' obligations set forth elsewhere in this Agreement, DRS shall be solely responsible for payment of all insurance premiums (including but not limited to property insurance), utilities, and operating expenses including, without limitation, all costs and expenses for security, snow removal, labor and maintenance and repair incurred in connection with the Cranes and the operations at the Premises.



3.8 Crane Relocation or Purchase Expenses. As additional consideration for the execution and delivery by PRPA of this Agreement, DRS agrees to be responsible for costs and expenses in amounts not to exceed the sum of NINE HUNDRED THOUSAND DOLLARS (\$900,000.00) for the purchase and/or relocation of a third crane to be located on the Premises, the state and condition of which third crane must be acceptable to DRS. Upon purchase and/or relocation of a third crane at the Premises, the definition of "Cranes" under this Agreement shall be amended to include such third crane for all purposes under this Agreement.

#### ARTICLE IV - MINIMUM PERFORMANCE REQUIREMENTS

In the event of any default of the guaranties and covenants set forth in this Article IV, in addition to the payments required to be paid by DRS pursuant to Article IV, PRPA shall have the right to terminate this Agreement upon delivery of written notice of termination to DRS. In the event that PRPA exercises its right to terminate this Agreement as provided in this Article IV, this Agreement will terminate sixty (60) calendar days following DRS' receipt of PRPA's notice of termination, and DRS shall vacate the Premises on or before such date, leaving the Premises in the condition in which it is required to be left at the end of the Term of this Agreement. If the effective termination date is other than the last day of the calendar month, all Rent shall be apportioned on a pro rata basis for the calendar month in which termination occurs, based upon the number of days in such month.

4.1 Minimum Vessel Calls. During the Term of this Agreement, DRS hereby guarantees to PRPA that the following minimum number of vessels shall call at the Premises on an annual basis for purposes of unloading cargoes: (i) one hundred twenty eight (128) vessels during the first year of this Agreement, (ii) one hundred twenty eight (128) vessels during the second year of this Agreement, (iii) one hundred thirty two (132) vessels during the third year of this Agreement, (iv) one hundred thirty six (136) vessels during the fourth year of this Agreement, and (v) one hundred forty (140) vessels during the fifth year of this Agreement. For purposes of this Article IV, "annual basis" shall mean each twelve (12) month period commencing April 1 and ending March 31.

4.2 Minimum Number of Containers. During the Term of this Agreement, DRS hereby guarantees to PRPA that at least 54,000 TEUs will be loaded or unloaded from vessels at the Premises on an annual basis.

4.3 Minimum Cases of Perishable Cargo. During the Term of this Agreement, DRS hereby guarantees to PRPA that at least 10,000,000 cases of perishable cargo will be loaded or unloaded from vessels at the Premises on an annual basis.

4.4 Minimum Number of Vehicles. During the Term of this Agreement, DRS hereby guarantees to PRPA that at least 4,200 vehicles will be loaded or unloaded from vessels at the Premises on an annual basis.



4.5 Minimum Amount of Breakbulk Cargo. During the Term of this Agreement, DRS hereby guarantees to PRPA that at least 50,000 metric tons of non-perishable breakbulk cargo will be loaded or unloaded from vessels at the Premises on an annual basis.

4.6 Minimum Number of Jobs. During the first twelve month period of this Agreement, DRS hereby guarantees to PRPA that at least seventy-two (72) new terminal jobs will be created and maintained from loading and unloading of vessels at the Premises and that 72 new terminal jobs will be maintained throughout the Term of this Agreement. For purposes of this Section 4.6, such 72 new terminal jobs shall be those jobs referenced in DRS' response to the PRPA's Request for Proposals dated September 19, 1997.

4.7 Penalties for Failing to Satisfy the Minimum Performance Requirements. In the event that DRS fails to satisfy the minimum performance requirements specified in this Article IV, PRPA shall have the right to terminate this Agreement. In addition, PRPA shall have the right exercisable, in its sole and absolute discretion, to assess DRS the amounts listed below. DRS hereby agrees that such payments shall be due and payable as additional Rent under this Agreement and may in the discretion of PRPA, be paid (i) by a draw upon the Letter of Credit in the amount of such obligation, or (ii) by direct payment from DRS within thirty (30) calendar days following the last day of the applicable twelve (12) month period in which each such breach occurs.

4.7.1 If less than the minimum number of vessels (as set forth above in this Section 4.1) call at the Premises on an annual basis, DRS shall pay to PRPA, at PRPA's discretion, a sum equal to TWO THOUSAND DOLLARS (\$2,000.00) for each vessel less than the minimum number of vessels (*e.g.*, if during the first twelve months of this Agreement only 127 vessel calls are made at the Premises, DRS would pay \$2,000.00 to PRPA).

4.7.2 If less than 54,000 TEUs are loaded or unloaded from vessels at the Premises on an annual basis, DRS shall pay to PRPA, at PRPA's discretion, a sum equal to FIVE DOLLARS (\$5.00) for each TEU less than 54,000 TEUs which was not loaded or unloaded from a vessel at the Premises (*e.g.*, if during the first twelve months of this Agreement only 53,000 TEUs are loaded or unloaded from vessels at the Premises, DRS would pay \$5,000.00 to PRPA).

4.7.3 If less than ONE HUNDRED FIFTY FOUR THOUSAND TWO HUNDRED (154,200) metric tons of total cargo (*e.g.*, the total amount of metric tons of all perishable cargo, vehicles, and breakbulk cargo) are loaded or unloaded from vessels at the Premises on an annual basis, DRS shall pay to PRPA, at PRPA's discretion, a sum equal to ONE DOLLAR (\$1.00) for each metric ton less than 154,200 metric tons which was not loaded or unloaded from a vessel at the Premises (*e.g.*, if during the first twelve months of this Agreement only 153,200 metric tons are loaded or unloaded from vessels at the Premises, DRS will pay \$1,000.00 to PRPA).

4.7.4 In the event that less than seventy two (72) new terminal jobs are created and maintained from loading and unloading vessels at the Premises during the Term of this Agreement, PRPA shall have the right to terminate this Agreement.



## ARTICLE V - MECHANISMS FOR ASSURING COMPLIANCE WITH THE MINIMUM PERFORMANCE REQUIREMENTS AND OBLIGATIONS

5.1 Letter of Credit. As security for the full and faithful performance by DRS of all terms, covenants and conditions of this Agreement, DRS shall cause to be executed and delivered to PRPA no later than March 6, 1998 an irrevocable, unconditional, transferable letter of credit (the "Letter of Credit") in the principal face amount of ONE MILLION DOLLARS (\$1,000,000). The Letter of Credit shall (i) be issued by a financial institution having an office in Philadelphia, Pennsylvania which is satisfactory to PRPA in its sole and absolute discretion, (ii) be in form and content acceptable to PRPA in its sole and absolute discretion, (iii) specify that it is irrevocable and, at the discretion of PRPA, assignable to PRPA's successors and assigns, (iv) be addressed to PRPA, and (v) be payable upon each presentation of a sight draft, accompanied by a statement signed by an authorized official of PRPA that the amount represented by the sight draft is then due and owing to PRPA by DRS and has not been paid. The Letter of Credit shall have an expiration date no earlier than the Termination Date (PRPA will, however, accept a Letter of Credit having an initial term of one (1) year subject to automatic renewal for four (4) additional one-year periods. Failure to provide evidence of the renewal of the term of the Letter of Credit within thirty (30) calendar days prior to the expiration of the then current term shall constitute a default under this Agreement and will allow PRPA to draw the Letter of Credit in full without notice to DRS). Upon the occurrence of a default by DRS of its obligations under this Agreement, the Letter of Credit can be drawn by PRPA, in full or in part, without notice to DRS or any guarantor of DRS' obligations under this Agreement.

5.2 Guaranties. As security for the full and faithful performance by DRS of all terms, covenants and conditions of this Agreement, DRS shall cause guaranties (the "Guaranties") in the form attached hereto as Exhibit "D-1" to be executed and delivered by International Terminal Operating Co., Inc. and Exhibit "D-2" to be executed and delivered by Stevedoring Services of America, Inc.

## ARTICLE VI - PRPA'S RIGHT OF ACCESS TO THE PREMISES

6.1 Visitors. PRPA and its invitees shall have the right of access to the Premises at all times during the Term; provided that individuals seeking access to the Premises shall identify themselves as representatives or agents of PRPA. On a regularly scheduled quarterly basis, PRPA and DRS shall jointly make an inspection of the Premises.

6.2 Property Under DRS' Control. PRPA reserves the right, but shall have no responsibility or obligation, to inspect the Premises as to fire hazards and other hazards of a like kind or nature. PRPA assumes no responsibility or liability for, and DRS hereby releases PRPA from, loss or damage to the property of DRS or property under the control of DRS, whether caused by fire, water or otherwise.

6.3 Inspection. PRPA reserves the right to inspect the Premises at any and all times during the Term of this Agreement. The right of inspection reserved hereunder shall impose no



obligation on PRPA to make inspections to ascertain the condition of the Premises, and shall impose no liability upon PRPA for the failure to make such inspections.

6.4 Utility Lines and Easements. PRPA reserves to itself and others the right, at PRPA's cost, to locate, construct, install and maintain sewers, utilities and pipelines upon or across the Premises at locations which do not unreasonably interfere with the use or occupancy of the Premises. DRS shall cooperate with PRPA or its designees so that any such work can be accomplished in the most efficient manner. DRS may, at its sole cost and expense, locate, construct or install sewers, utilities and pipelines upon or across the Premises, subject to the conditions set forth above and PRPA's prior written approval which may be withheld, delayed or conditioned in PRPA's sole discretion.

## ARTICLE VII - OPERATION OF THE PREMISES

7.1 Equipment. DRS shall, at its sole cost and expense, provide the equipment necessary for the efficient operation of the Premises including, without limitation, all container handling equipment such as tractors, fork lifts, chassis and top loaders.

7.2 Cranes. DRS shall, at its sole cost and expense, operate, maintain (in accordance with the crane maintenance requirements outlined in Exhibit "E") and repair the Cranes, and all components or parts thereof, for use by all current and future tenants, licensees and occupants and DRS shall be obligated to return to PRPA upon expiration or sooner termination of this Agreement, the Cranes and all components or parts thereof in the state and condition as they existed on the date of the Base Line Survey. DRS shall have a revocable license to use all the items listed in Exhibit "E" hereto in connection with DRS' obligation to maintain, repair and operate the Cranes; provided, however, that DRS shall return all such items (which obligation shall include the repair, replacement or complete restoration of any and all such items) to PRPA upon the expiration or sooner termination of this Agreement. In addition, DRS shall be responsible, and hereby releases PRPA from liability, for all costs and expenses for laborers and mechanics for overtime, stand-by and detention time due to the late arrival or non-arrival of a vessel at the Premises.

7.3 Continuous Operation. DRS shall continuously operate and use the Premises at all times during the Term of this Agreement in a competent and efficient manner consistent with the manner in which other marine terminals of similar use and design in other major United States ports are operated so as to provide first-class service to all persons or entities whose cargo passes through the Premises. DRS shall conduct operations in such a manner as to maximize the use of the Premises including, without limitation, to increase the amount of cargo handled at the Premises.

7.4 Capital Improvements. DRS shall not make any capital improvements at the Premises without the prior written consent of PRPA, which consent shall not unreasonably be withheld. All capital improvements to be made by DRS at the Premises shall be at DRS' sole cost and expense.



## 7.5 Assignment and Assumption of Leases and Contracts.

7.5.1 General Obligation. As of the Commencement Date, DRS shall assume PRPA's interest under any and all leases, licenses, contracts and agreements affecting the Premises which are listed on Exhibit "C" hereto, and comply with all the terms and conditions of such leases, contracts and agreements that would otherwise have been binding upon PRPA with respect to any acts or omissions occurring on or after the Commencement Date with the exception of the obligations set forth on Exhibit "F" hereto.

7.5.2 Assignment. Effective as of the Commencement Date, PRPA hereby assigns, transfers and sets over unto DRS all of PRPA's right, title and interest in and to (i) all leases, licenses, contracts and agreements affecting the Premises which are listed on Exhibit "C" hereto, together with all amendments, extensions, renewals and other modifications thereto, (ii) any and all rights of PRPA under the Leases to collect rents, additional rents, escrow or security deposits, fees, income, charges, and profits now or hereafter arising thereunder, and (iii) any guarantees of any Leases, to have and to hold the same unto DRS, its successors and assigns.

7.5.3. Acceptance and Assumption. DRS hereby accepts said assignment and assumes all obligations on the part of PRPA under the documents listed on Exhibit "C" first arising or accruing from and after the Commencement Date with the exception of the obligations set forth on Exhibit "F" hereto.

7.5.4 Appointment of Limited Attorney-in-Fact. PRPA hereby appoints DRS its attorney-in-fact for the limited purpose of receiving and endorsing any checks or other payments of rent, income or profits tendered to DRS pursuant to the terms of the leases, licenses, contracts and agreements affecting the Premises which are listed on Exhibit "C" hereto or guarantees thereof if any checks are made payable to the order of PRPA. PRPA ratifies any such endorsement made pursuant to this limited power of attorney. This limited power of attorney is coupled with an interest and is irrevocable.

7.5.5 Enforcement. DRS shall use its best efforts to enforce all obligations of tenants, licensees, occupants, contractors, subcontractors or other parties to such leases, licenses, contracts and agreements; provided, however, that DRS shall obtain PRPA's written approval prior to instituting any means of judicial or legal process to enforce such obligations. Notwithstanding anything herein to the contrary: (i) the lease between DRS and PRPA for the area of the Premises commonly known as the Carpenter Shed (the "Shed Lease") shall be of no further force or effect during the Term of this Agreement; (ii) the letter agreement dated October 3, 1997 between DRS and PRPA for the exportation of livestock across a portion of the Premises (the "Livestock Agreement") shall be of no further force or effect during the Term of this Agreement; (iii) upon the termination or sooner expiration of this Agreement, the Shed Lease and the Livestock Agreement shall continue in full force and effect; and (iv) all Base Rent under that certain lease by and between PRPA and Continental Salt, Inc. ("Continental"), dated December 30, 1997, shall be paid directly from Continental to PRPA with all other rent, fees and charges (other than Base Rent) to be paid directly by Continental to DRS.



7.5.6 PRPA shall pay, or cause to be paid, to DRS all dockage, wharfage, and gate fees received from Continental Salt, Inc. ("CSI") pursuant to Sections 3.2, 3.3, and 3.4 of that certain Lease Agreement dated October 1997, effective February 1, 1998, by and between CSI and PRPA.

7.6 Contracts. DRS agrees to insert into any material contracts (which for purposes of this Agreement shall mean contracts in excess of \$25,000) and all leases entered into after the Commencement Date with respect to the operation or use of the Premises a clause which will provide that DRS' rights and obligations under all such contracts and leases to be assigned automatically to PRPA (or PRPA's designee) without further action by PRPA or DRS being necessary upon the occurrence of a default by DRS of its obligations under this Agreement which has not been cured within any applicable grace period. All bonds, guaranties and assurances of completion provided by a third party to any such contract in favor of DRS shall also be assignable to PRPA and shall name PRPA as the payee thereunder upon the occurrence of a default by DRS of its obligations under this Agreement which has not been cured within any applicable grace period.

7.7 Utilities. DRS shall obtain and furnish to all tenants, licensees and occupants of the Premises all water, sewer, electricity, gas, telephone and other utilities directly from the public utility company furnishing same. All existing utility accounts shall be transferred into the name of DRS and DRS shall pay all utility deposits and fees, and all monthly service charges for water, sewer, electricity, gas, telephone and other utilities furnished to the Premises during the Term of this Agreement. DRS shall maintain and repair, at its sole cost and expense, all piping, feeders, risers and other connections or equipment necessary to furnish utilities or services to the Premises. PRPA makes no representation or warranty as to the condition or capacity of such connections or equipment. PRPA shall not be liable for any interruption whatsoever, nor shall DRS be entitled to an abatement or reduction on Rent on account thereof, in utility services not furnished to the Premises or to any claim of constructive eviction.

7.8 Open Vessel Stevedoring. DRS shall allow any and all vessels to use the Premises and utilize any stevedore of its choice to load or unload cargo of such vessels. DRS shall coordinate the arrival and departure (and loading and unloading) of such vessels with any and all current or future tenants, licensees and occupants of the Premises to maximize the use and operation of the Premises. DRS shall not reject any request to berth at the Premises and/or for stevedoring services without the prior written consent of PRPA (which consent may be withheld or conditioned by PRPA in its sole and absolute discretion taking into account any commercially reasonable explanation for rejection as may be presented by DRS to PRPA). Any vessel that uses the Premises (and the cargo of such vessel) shall be counted towards DRS' minimum performance requirements provided in Article IV of this Agreement regardless of whether or not DRS utilizes its own stevedoring services to load or unload such vessel.



## ARTICLE VIII - INSURANCE; INDEMNIFICATION

### 8.1 Property Insurance

8.1.1 DRS shall keep the Premises continuously insured during the Term against "all risks" of direct physical loss including, without limitation, loss or damage resulting from fire, lightning and other perils covered by the standard Pennsylvania form of Fire Insurance and Extended Coverage (including Pier and Wharf Extended Coverage endorsement) on a replacement cost basis in the amount of SEVENTY NINE MILLION DOLLARS (\$79,000,000.00), or such greater amounts as provided in Section 8.1.2. DRS shall cause the policy evidencing such insurance to name PRPA and the Commonwealth as additional insureds and loss payees, as their interests may appear.

8.1.2 PRPA may from time to time cause an engineer, appraiser or other representative of PRPA to inspect the Premises to determine the replacement value of the Premises and, upon written notice of any valuation so determined in excess of the amount specified in Section 8.1.1, the amount of insurance therein specified shall at PRPA's option be increased upon notice to DRS to an amount not to exceed the valuation so determined, and DRS shall in that event promptly cause the insurance required by Section 8.1.1 to be increased appropriately in amount at DRS' expense.

8.1.3 DRS shall keep the contents of the Premises, including without limitation the property of others and improvements and betterments, and "contractor's equipment", continuously insured during the Term against "all risks" of direct physical loss, on a legal liability basis with respect to property of others, and on an actual cash value basis with respect to all other contents, improvements and betterments, and "contractor's equipment". DRS shall cause the policy evidencing such insurance to name PRPA and the Commonwealth as additional insureds and loss payees, as their interests may appear.

8.1.4 No policy of insurance maintained by DRS under this Section 8.1 shall contain a deductible feature in excess of TWENTY THOUSAND DOLLARS (\$20,000.00) unless otherwise approved by PRPA.

8.2 Liability Insurance. During the Term, DRS shall continuously keep in effect comprehensive general liability insurance of at least TEN MILLION DOLLARS (\$10,000,000.00), single limit, as to personal injury, death or property damage. DRS shall cause the policy evidencing such insurance to name PRPA and the Commonwealth as additional insureds, and shall cause such policy to incorporate a cross liability endorsement provision as follows (or a substantially identical provision satisfactory to PRPA): "Cross Liability - it is understood and agreed that the insurance afforded by this policy for more than one named insured shall not operate to increase the limits of the Company's liability, but otherwise shall not operate to limit or void the coverage of any one named insured with respect to claims against the said named insured by any other named insured or the employees of any such other named insured". DRS shall also cause any and all contractors, subcontractors, stevedores or other agents it uses to name PRPA, the Commonwealth, and GATX Terminals Corporation as additional insureds on said party's liability insurance policies.



8.3 Workers' Compensation Insurance. During the Term, DRS itself shall maintain, and shall also require that any and all contractors, subcontractors, stevedores or other agents with which it contracts for services at the Premises maintain, in full force and effect at all times during the Term of this Agreement, statutory worker's compensation insurance and employers' liability insurance; United States Longshoremen's and Harbor Workers' Compensation Act insurance, Jones Act insurance, Occupational Disease Act insurance, and any Disability Benefits Act insurance required by federal, state or local law.

8.4 Automobile Insurance. During the Term, DRS shall continuously keep in effect comprehensive automobile liability insurance in the amount of FIVE MILLION DOLLARS (\$5,000,000.00) per each accident for bodily injury and property damage combined, naming PRPA and the Commonwealth as additional insureds.

8.5 Waiver of Subrogation. All property insurance policies carried by either party covering the Premises and DRS' operations at the Premises shall expressly waive any right on the part of the insurer against the other party.

8.6 Insurance; General.

8.6.1 PRPA's Purchase. If DRS fails to maintain any insurance required in this Agreement to be maintained by it, PRPA may, at its option, procure same wherever available at a reasonable price at DRS' expense, and DRS shall pay to PRPA the cost thereof, and such other costs incurred by PRPA in connection therewith, including without limitation PRPA's reasonable attorney's fees, on demand as Rent.

8.6.2 Requirements. Every policy of insurance required by this Agreement to be maintained by DRS shall contain a provision prohibiting cancellation thereof or changes therein without at least thirty (30) calendar days prior written notice to PRPA and the Commonwealth at the addresses designated from time to time in writing by PRPA and the Commonwealth, respectively. On or before the Commencement Date, and thereafter at least ten (10) calendar days before expiration of any policy, DRS shall deliver to PRPA two copies of the certificates of insurance and within a reasonable time period thereafter two copies of the policies evidencing each of the coverages that it is required to carry under this Article whether carried by DRS, its contractors, subcontractors, stevedores, or other agents.

8.6.3 Form of Policy. All policies required hereunder and any renewals thereof (1) shall be in form satisfactory to PRPA, including as to the amount of the deductible, (2) shall be issued by companies satisfactory to PRPA authorized to engage in the insurance business in the Commonwealth or otherwise satisfactory to PRPA, and (3) shall be maintained in full force and effect during the Term of this Agreement.

8.6.4 Additional Insurance. DRS shall also provide such additional types of insurance in such amounts as PRPA shall from time to time reasonably require. In the event that any such additional insurance is required, DRS shall deliver two copies of each policy to PRPA.



8.6.5 Use of Premises. DRS agrees not to use the Premises in any manner that will result in the cancellation or increase in cost of any insurance policy that DRS is required to carry hereunder.

8.6.6 Separate Insurance. DRS shall not take separate insurance that is concurrent in form with, or which contributes to an event or events of loss which are covered by, either the insurance required to be furnished by DRS under this Article VIII, or the insurance the DRS may reasonably be required to furnish under this Article VIII, unless PRPA and Commonwealth are named in such policies as insureds, with loss payable as provided in this Agreement. DRS shall immediately notify PRPA of the taking out of any such separate insurance and shall cause the policies therefor to be delivered to PRPA as required herein.

8.6.7 Claims Made Policies. DRS shall not obtain any insurance through policies written on a "claims made" basis without PRPA's prior express written consent, which consent shall not unreasonably be withheld if the proposed policy and DRS satisfy all of the following requirements: (1) the policy retroactive date shall coincide with or precede DRS' occupancy or use of any portion of the Premises; and (2) DRS shall maintain such policy for at least four years following the termination or expiration of the Term (whichever is later); and (3) if such insurance is prematurely terminated for any reason, DRS shall, in addition to securing immediate replacement coverage for such insurance, purchase an extended reporting provision of at least four years duration to report claims arising from this Agreement or DRS' occupancy; and (4) the policy shall allow for the report of circumstances or incidents which might give rise to future claims.

8.6.8 Blanket Policies. Any insurance required of DRS under this Article VIII may be effected by a blanket or multi-peril or all-risk policy or policies issued to DRS or to any person with which DRS is affiliated, and covering the Premises as well as other properties owned by or leased to DRS or affiliated person, provided that (a) such policy or policies shall be satisfactory to and approved by PRPA and shall comply in all respects with the provisions of this Agreement and (b) the amount of insurance allocated thereunder to DRS' property located in the Premises shall be specified either in such policy or policies or in an endorsement thereto and shall equal the amounts required under this Agreement.

8.7 Accident Reports. DRS shall provide a report to PRPA in writing, as soon as practicable but in any event within two (2) calendar days after DRS, its officers, employees or agents have knowledge of any accident or occurrence involving death of or injury to any person or persons or loss or damage in excess of TEN THOUSAND DOLLARS (\$10,000.00) to the Premises or property of any person other than DRS occurring upon or about the Premises. All such reports shall include, to the extent available and appropriate, (1) the names and addresses of the persons involved; (2) a general statement as to the nature and extent of the injury or damage; (3) the date and hour of the occurrence; (4) the names and addresses of witnesses; and (5) such other information reasonably requested by PRPA as may be known to DRS, its officers, employees or agents.

8.8 Liability for Damages Caused by Third Parties. DRS shall maintain the necessary security on the Premises to assure that the Premises is not used by anyone not having the



permission of DRS or PRPA. DRS is and shall be solely liable for all damage to the Premises which is caused by third parties not authorized to be upon the Premises, or by DRS' employees, agents, contractors, invitees or licensees if said damage is due to the negligence or misconduct of DRS.

#### 8.9 Release and Indemnification.

8.9.1 DRS agrees that PRPA, its successors and assigns, and the Commonwealth, and their respective agents, employees, officers, directors, shareholders and partners shall not be liable to DRS and DRS hereby releases said parties from any liability, for any personal injury, loss of income or damage to or loss of persons or property, or loss of use of any property, in or about the Premises from any cause whatsoever unless such damage, loss or injury results from PRPA's failure to perform its obligations under Section 9.1 or the negligence or willful misconduct of PRPA, its officers, employees or agents. Furthermore, PRPA and the Commonwealth, and their respective agents, employees, officers, directors and partners shall not be liable to DRS for any such damage or loss, whether or not such damage or loss so results from their negligence, to the extent DRS is compensated therefor by DRS' insurance.

8.9.2 DRS shall defend, indemnify, save and hold harmless PRPA, the Commonwealth, and their respective agents, employees, officers, directors, shareholders, partners from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including reasonable attorneys' fees, court costs, administrative costs and costs of appeals which may be imposed upon or incurred by or asserted against any of them by reason of the following which shall occur during the Term of this Agreement, during any holdover period after expiration or termination of the Term, or during any period of time prior to the Commencement Date when DRS may have been given access to or possession of all or any portion of the Premises:

(1) any work or act done in, on or about the Premises or any part thereof at the direction of or caused by DRS, its agents, contractors, subcontractors, servants, employees, licensees or invitees;

(2) any negligence, tort or other wrongful act or omission on the part of DRS or any of its agents, contractors, subcontractors, servants, employees, subtenants, licensees or invitees;

(3) any accident, injury or damage to any persons or property occurring in, on or about the Premises or any part thereof, unless caused by PRPA's failure to perform its obligations under Section 9.1 or the negligence or willful misconduct of PRPA, its employees or agents; and

(4) any failure on the part of DRS to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Agreement.

8.9.3 The obligation of DRS to indemnify contained in Section 8.9.2 shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by



or for DRS, its agents or contractors under workers' or workman's compensation acts, disability benefit acts or other employee benefits acts, or under any other insurance coverage DRS may obtain.

8.9.4 The release and indemnification given in this Section 8.9 shall survive the expiration or termination of this Agreement.

## ARTICLE IX - MAINTENANCE, REPAIR, EQUIPMENT AND IMPROVEMENTS

### 9.1 PRPA's Obligations.

9.1.1 PRPA shall maintain and repair roofs, pavings, pavements, railroad tracks and the structural elements of the walls and foundations of the buildings and structures (including wharf structures) at the Premises.

9.1.2 PRPA shall, at such times as it reasonably determines to be necessary, and upon its obtaining all necessary permits and approvals (with the cooperation of DRS), conduct maintenance dredging alongside Berths 1, 2, 3, 4 and 5 at the Premises as shown on Exhibit "A" to a depth of thirty six (36) feet from Mean Low Water Datum. PRPA shall notify DRS of the schedule of such dredging and make all reasonable efforts not to interfere with vessels' access to the Premises. PRPA shall, at its sole cost and expense, perform soundings on a regularly scheduled basis along the Berths.

### 9.2 DRS' Obligations.

9.2.1 DRS, at its own expense, shall be responsible for and perform all maintenance of the Premises of any nature and shall keep the same in good order and repair and condition, including without limitation, all electrical systems, HVAC systems, water and sewer systems, gutters and down spouts, fire and sprinkler systems, reefer plugs, refrigeration systems, lighting, fences (including the fence along Delaware Avenue), and shall replace, renew, or repair to PRPA's satisfaction all parts that may become worn out, broken or destroyed.

9.2.2 During the Term of this Agreement, DRS shall, at its sole cost and expense, operate, maintain, repair and service the Cranes and all other equipment or machinery located at the Premises so as to keep them in good operating condition, all in compliance with all Occupational Safety and Health Act rules and regulations and other applicable Federal, State or local laws or regulations with all valid inspections and other certifications and in accordance with the crane maintenance manual requirements included in Exhibit "E" hereto. DRS shall provide PRPA with copies of such inspections and certifications immediately upon completion. DRS shall, at its sole cost and expense, provide all fuel, oil, grease and other items required for the safe and efficient operation of the Cranes. PRPA shall not be responsible for providing crane operators for cargo operations nor liable for any claims, losses, damages, liabilities, costs or expenses including, without limitation, consequential and incidental damages arising out of or caused by a mechanical failure of the Cranes for any reason whatsoever.



9.3 Repair. Without limiting the generality of DRS' obligations under Section 9.2 above, DRS shall, at its own expense, promptly repair to PRPA's satisfaction any damage, structural or non-structural, done to the Premises by DRS' agents, employees, contractors, customers, suppliers and other invitees, including, without limitation, damage by railroad cars, trucks or other equipment, or by the discharging, receiving or delivering of freight or passengers from or to railroad cars, trucks or other equipment. PRPA shall not be responsible for any damage to any furniture, equipment or other effects of DRS or others or for any theft, damage or loss of property from the Premises, however occurring.

9.4 Condition Survey. At PRPA's option, PRPA and DRS shall conduct or cause to be conducted a condition survey at any time during the Term, to serve as a basis for determining DRS' compliance with the provisions of this Agreement.

9.5 Fire Systems. All fire protection sprinkler systems, fire hydrant systems, standpipe systems, fire alarm and sprinkler monitoring systems, portable fire extinguishers and other fire protective or extinguishing systems or appliances which have been or may be installed on the Premises shall be maintained or repaired, as may be necessary, so as to be in compliance with all applicable laws at all times, by DRS, at its sole cost and expense and in accordance with all applicable laws, including without limitation, the City of Philadelphia Fire Code and all additions, revisions and amendments thereto, and in accordance with the recognized standards relating thereto.

9.6 Load Limits. DRS shall not place loads on the structural portions of the Premises in excess of the respective maximum load limits for the Premises as set forth in Exhibit "G" attached hereto and made a part thereof, without the prior written consent of PRPA.

9.7 Condition and Surrender of the Premises. DRS agrees to accept the Premises, including, without limitation, all improvements, structures and facilities upon the Premises, in their condition existing at the Commencement Date, "as is", "where-is" and without warranty (expressed or implied). DRS' occupation or use of the Premises shall in itself constitute acknowledgment of such acceptance, and PRPA shall not be obligated to make any improvements or repairs thereto, except as specifically provided elsewhere in this Agreement. DRS covenants and agrees that at the expiration of the Term it will quit and surrender the Premises with all the improvements thereon in as good a state and condition as the same were at the inception of the Term as described on a Base Line Survey performed, if at all, pursuant to Section 2.4 hereof, and the Premises will be left in a clean condition with no build-up of dirt and debris, subject to normal wear and tear.

9.8 Access. PRPA, its contractors, invitees and their respective employees have the right of access to the Premises at all times to perform their respective duties, responsibilities and jobs as contemplated under this Article IX and to determine the state of maintenance and repair provided said access by PRPA or its representatives does not interfere with DRS' operation of the Premises. PRPA will schedule such access, to the extent reasonably possible, so as not to materially interfere with DRS' operations at the Premises, but need not schedule such access if PRPA deems an emergency to exist.



9.9 PRPA's Rights. Should DRS fail to make any repairs or perform any maintenance for which it is responsible, PRPA shall have the option to make or perform the same (but need not do so) following thirty (30) calendar days written notice from PRPA or immediately if, in PRPA's business judgment, the repairs required must be made to prevent damage, injury or loss to persons or property. Within ten (10) calendar days following receipt of an invoice, together with reasonable supporting documentation from PRPA, DRS shall reimburse PRPA for PRPA's actual cost of such repairs as additional Rent. The making of such repairs by PRPA shall in no event be construed as a waiver of the duty of DRS to make repairs as herein provided.

9.10 DRS' Improvements. During the Term, DRS shall not make any alterations, additions or improvements to the Premises without first receiving the written consent of PRPA, which consent shall not unreasonably be withheld. PRPA may, at its option, require DRS to remove any alterations, additions or improvements constructed by DRS (other than any alterations, additions or improvements which have been consented to by PRPA) upon the expiration or sooner termination of the Term, and to repair and restore the Premises to its condition as of the Commencement Date of this Agreement, at DRS' sole cost and expense. To the extent DRS is permitted to make any alterations, additions or improvements to the Premises, such construction shall be subject to the following provisions:

9.10.1 DRS shall not construct any improvement or construct, effect major repairs or restorations of, alter or demolish any works, structures or other improvements upon the Premises, including a change in the grade or filling of a berth thereof, without first submitting to PRPA a complete set of drawings, plans, and specifications and contracts and obtaining PRPA's written approval thereof, which approval may not unreasonably be withheld, and any other approvals of the Commonwealth, to the extent required, and any approvals required by law. PRPA shall have the right to order changes in said drawings, plans and specifications for reasonable cause and DRS shall make such changes at its own expense. DRS shall keep records of all goods, material and labor employed in connection with any such construction and shall make the same available to PRPA at reasonable times upon prior written notice.

9.10.2 Every work, structure or improvement constructed, or alteration or change of grade made by DRS shall conform with the plans and specifications as approved by PRPA and any other entity or governmental agency whose approval is required, and shall conform in all respects to the applicable federal, state, regional, and local laws, statutes, ordinances, rules and regulations. The approvals given as provided in this Section 9.10 shall not constitute a representation or warranty as to such conformity and shall not relieve DRS of its responsibilities with regard thereto.

9.10.3 DRS, at its own expense, shall obtain all permits necessary for such construction and shall require by contract that its contractors and subcontractors comply with all applicable federal, state, and local statutes, ordinances, rules and regulations, and with the provisions of Section 17.1. PRPA shall cooperate with DRS with respect to obtaining necessary permits.



9.10.4 All construction by DRS pursuant to this Section 9.10 shall be at DRS' sole expense.

9.10.5 DRS shall give written notice to PRPA, in advance, of the date it will commence any construction. Immediately upon the completion of the construction, DRS shall notify PRPA of the date of such completion and shall, within thirty (30) days after such completion, file with PRPA a statement, verified by an appropriate officer of DRS, setting forth the cost of the labor and material used. DRS shall also file with PRPA, in a form acceptable to PRPA, a set of "as built" plans for such construction.

9.10.6 All improvements, works and structures made or erected by DRS upon the Premises under this Section 9.10 shall be and become the property of PRPA.

9.10.7 DRS will proceed diligently to construct its improvements upon the Premises without delay, and in a good and workmanlike manner, employing therefor workers and materials satisfactory in quantity and quality to PRPA. PRPA shall not be responsible for any delay in any construction schedule for any improvement.

9.10.8 DRS will permit and assist PRPA or PRPA's representatives to make inspections of the Premises and DRS' improvements. Prior to the commencement of any construction by DRS, DRS shall provide to PRPA a construction schedule. DRS and PRPA shall establish an inspection schedule setting forth reasonable and appropriate times for PRPA to make such inspections, although PRPA may choose to inspect more frequently. If upon any such inspection PRPA in writing reasonably rejects as unsound or improper and not in substantial compliance with the plans any portion of the improvements or any materials used or to be used therein, DRS will promptly commence to remove from the Premises or improvements (as the case may be) all rejected materials, and will take down and replace (or, at PRPA's option, repair) any portion of such improvements so rejected. PRPA's inspections are solely for PRPA's benefit and no action or inaction by PRPA shall constitute any representation that such improvements comply with the respective plans or that such improvements are sound or free from defects in material, design or workmanship. Nothing herein shall be construed as imposing any obligation upon PRPA to make any inspections hereunder.

9.10.9 Prior to the commencement of any construction or other performance by a contractor, subcontractor or materialman under a contract with DRS for improvements at the Premises, DRS shall cause a waiver of mechanics' and materialmen's liens from all such contractors, subcontractors and materialmen to be filed in accordance with the Pennsylvania mechanics' lien law.

9.10.10 In addition to the foregoing requirements, DRS shall not construct, effect major repairs or restorations of, alter or demolish any works, structures or other improvements upon the Premises without first obtaining PRPA's written approval of the identity of the contractor, which approval may be withheld in PRPA's sole and absolute discretion.



## ARTICLE X - TAXES

10.1 Taxes. Subject to the last sentence of Section 3.7.1, DRS covenants and agrees to pay in full when due, without demand, all currently due lawful taxes, assessments or charges which may be levied by any federal, state, county or city, or by any tax or assessment levying agency upon the Premises and all taxes, assessments, duties and charges on goods, merchandise, fixtures, appliances, equipment and property owned or brought upon the Premises by or through DRS (collectively "Impositions"). To the best of PRPA's knowledge, no such taxes, assessments or charges have been imposed upon the Premises during the past ten (10) years.

10.2 Appeals. DRS shall have the right to contest or object to the amount or validity of any such Impositions by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying or extending the covenants of DRS to pay any such Impositions at the time and in the manner provided in Section 10.1, unless DRS shall have given prior written notice to PRPA of intent to so contest or object to an Imposition, and unless, at PRPA's sole option, (i) DRS shall demonstrate to PRPA's satisfaction that the legal proceeding shall operate conclusively to prevent the placing of a lien on the Premises, or any part thereof, to satisfy such Impositions prior to final determination of such proceedings; or (ii) DRS shall furnish a good and sufficient bond or surety as requested by and satisfactory to PRPA; or (iii) DRS shall have provided PRPA with a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

## ARTICLE XI - ENVIRONMENTAL MATTERS

11.1 Environmental Matters. DRS covenants that it shall comply at all times with the following terms of this Agreement relating to environmental matters.

### 11.2 DRS' Representations, Warranties and Covenants.

11.2.1 Use of Premises. DRS represents, warrants and covenants that (i) the Premises will not be used for any dangerous, noxious or offensive trade or business and that it will not cause or maintain a nuisance there, (ii) it will not bring, generate, treat, store, release, threaten to release or dispose of Hazardous Substances (as hereinafter defined) at the Premises, (iii) it shall at all times cause its operations at the Premises to comply, and shall cause the Premises to comply, with all Environmental Laws (as hereinafter defined), and (iv) it will keep the Premises free of any lien imposed pursuant to any Environmental Laws; provided, however, that DRS shall be allowed to use fumigants to the extent such use is in accordance with all Environmental Laws.

11.2.2 Reporting Requirements. DRS warrants that it will promptly deliver to the PRPA: (i) copies of any documents received from any federal, state, country or municipal environmental or health agency (including, without limitation, the United States Environmental Protection Agency and the Pennsylvania Department of Environmental Protection) concerning the DRS' operations upon the Premises, and (ii) copies of any documents submitted by the DRS to any federal, state, country or municipal environmental or health agency (including, without



limitation, the United States Environmental Protection Agency and the Pennsylvania Department of Environmental Protection) concerning its operations on the Premises, including but not limited to copies of all permits, licenses, annual filings and registration forms. Upon the request of PRPA, DRS shall provide PRPA with evidence of compliance with Environmental Laws in the manner and form the PRPA may require. Demonstration of compliance with Environmental Laws provided by DRS to PRPA pursuant to this paragraph shall include, but not be limited to, environmental site assessments prepared in conformity with American Society for Testing and Materials Standard E 1527-94.

11.2.3 Termination, Cancellation, Surrender. At the expiration or earlier termination of this Agreement, DRS shall surrender the Premises to PRPA free of any and all Hazardous Substances excepting any present upon the Premises prior to DRS' occupancy, and in compliance with all Environmental Laws (excluding any noncompliance existing prior to DRS' occupancy) and to the complete satisfaction of PRPA.

11.3 Permitted Substances. Subject to the provisions of this Article and to the prior written consent by PRPA which may be given or withheld in PRPA's sole discretion, DRS shall be entitled to use and store on the Premises only reasonable quantities of those Hazardous Substances which are necessary for DRS' business, provided that such usage and storage, and DRS' disposal of all waste resulting therefrom, are in full compliance with all applicable Environmental Laws.

11.4 Storage Tanks. DRS shall not be entitled to install any tanks under, on or about the Premises for the storage of Hazardous Substances without the express written consent of PRPA, which may be given or withheld in PRPA's sole discretion.

11.5 PRPA's Right of Access and Inspection. PRPA shall have the right but not the obligation, at all times during the Term to (i) inspect the Premises, (ii) conduct tests and investigations and take samples to determine whether DRS is in compliance with the provisions of this Article provided same does not interfere with the daily operation of DRS' business, (iii) request lists of all Hazardous Substances used, stored or located on the Premises, and (iv) review any permits which may be required for DRS to conduct any business at the Premises. PRPA will be responsible for the cost of any tests or investigations it may undertake unless it is determined DRS is not in compliance with the pertinent environmental requirements, in which case DRS shall be responsible for the cost of the inspection/tests.

11.6 Violations - Environmental Defaults.

11.6.1 DRS shall give to PRPA immediate verbal and follow-up written notice of any actual, threatened or suspected spills, releases or discharges of Hazardous Substances on the Premises, caused by the acts or omissions of DRS or its agents, employees, representatives, invitees, licensees, subtenants, customers or contractors. DRS covenants to promptly investigate, clean up and otherwise remediate any spill, release or discharge of Hazardous Substances caused by the acts or omissions of DRS or its agents, employees, representatives, invitees, licensees, subtenants, customers or contractors at DRS' sole cost and expense; such investigation, clean up and remediation to be performed in accordance with all Environmental Laws and only after DRS



has obtained PRPA's prior written consent, which shall not be unreasonably withheld. DRS shall return the Premises to the condition existing prior to the introduction of any such Hazardous Substances.

11.6.2 In the event of (i) a violation at the Premises of an Environmental Law, or (ii) a release, spill or discharge of a Hazardous Substance on or from the Premises, or (iii) the discovery of any environmental condition at the Premises which requires a response and is attributable to the acts or omissions of DRS, its agents, employees, representatives, invitees, licensees, subtenants, customers, or contractors, or (iv) an emergency environmental condition at the Premises (together "Environmental Defaults"), PRPA shall have the right, but not the obligation, to immediately enter the Premises, and either to supervise and approve any actions taken by DRS to address the violation, release, or environmental condition, or, if the PRPA deems it necessary, to perform, at DRS' expense, any lawful actions necessary to address the violation, release, or environmental condition but such action is to take place only after PRPA has given DRS written notice of said condition and demand to correct same and DRS has failed to undertake to correct said condition within three (3) calendar days of receiving said demand.

11.6.3 PRPA has the right but not the obligation to cure any Environmental Defaults, has the right to suspend some or all of the operation of the DRS until PRPA has determined to its sole satisfaction that appropriate measures have been taken, and has the right to terminate this Agreement upon the occurrence of an Environmental Default.

11.7 Additional Rent. Any expenses which PRPA incurs, which are to be at DRS' expense pursuant to this Article, will be considered additional Rent under this Agreement and shall be paid by DRS on demand to PRPA.

11.8 Indemnification. DRS shall indemnify, defend (with counsel approved by PRPA) and hold PRPA and the Commonwealth, and their respective affiliates, shareholders, directors, officers, employees and agents harmless of, from and against any and all claims, judgments, damages (including consequential damages), penalties, fines, liabilities, losses, suits, administrative proceedings, costs and expenses of any kind or nature, known or unknown, contingent or otherwise, which arise out of the acts or omissions of DRS, its agents, employees, representatives, invitees, licensees, subtenants, customers or contractors during or after the Term of this Agreement (including, but not limited to, attorneys', consultant, laboratory and expert fees and including without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of any facilities or amenity of the Premises and damages arising from any adverse impact on marketing of space in or about the Premises), arising from or related to the use, presence, transportation, storage, disposal, spill, release, threatened release or discharge of Hazardous Substances on or about the Premises. The terms of this indemnification shall survive the expiration or sooner termination of this Agreement.

#### 11.9 Definitions.

11.9.1 "Hazardous Substances" means, (i) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Laws or any applicable laws or regulations as a "solid waste," "residual



waste," "municipal waste" "hazardous substance", "hazardous material", "hazardous waste", "infectious waste", "toxic substance", "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, (ii) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (iii) petroleum products and by products, polychlorinated biphenyls, urea formaldehyde, radon gas, any source, special nuclear, or by-product material), radiologically-contaminated material and medical waste.

11.9.2 "Environmental Laws" collectively means and includes all present and future federal, state and local laws and any amendments thereto (whether common law, statute, rule order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Premises and relating to health, safety, welfare, transportation and handling of food, the environment and environmental conditions, or to any Hazardous Substance (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Clean Air Act, 44 U.S.C. Section 7401, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f-300j; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001, et seq.; the Pennsylvania Storage Tank and Spill Prevention Act, 35 P.S. Section 6021.101, et seq.; the Pennsylvania Hazardous Sites Cleanup Act, 35 P.S. Section 6020.101 et seq.; the Pennsylvania Air Pollution Control Act, 35 P.S. Section 4001, et seq.; the Pennsylvania Clean Streams Law, 35 P.S. Section 691.101 et seq.; the Pennsylvania Solid Waste Management Act, 35 P.S. Section 6018.10 et seq.; and any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency; and any state and local laws and regulations similar to any of the foregoing, all amendments to all of the foregoing and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environmental, industrial hygiene or public health or safety).

11.10 Disposal and Removal of Solid Wastes. DRS shall, at its sole cost, contract with a reputable, private refuse removal company or companies approved by PRPA in writing in advance for the removal and disposal of any solid waste (other than solid wastes lawfully discharged through the City's sewer system) generated or introduced by DRS from the Premises, in accordance with all Environmental Laws.

#### 11.11 Remedies.

11.11.1 Upon a default by DRS of any provision of this Article XI, PRPA may at its sole discretion terminate this Agreement by written notice to DRS, whereupon DRS shall immediately vacate the Premises.



11.11.2 The parties recognize that no adequate remedy at law may exist for a default of this Article XI. Accordingly, either party may obtain specific performance of any provisions of this Article XI.

11.11.3 This Section 11.11 shall not be construed to limit any remedies which either party may have against the other at law or in equity for a default of this Article XI.

11.12 Survival. The provisions of this Article XI shall survive the expiration of the Term and the termination of this Agreement. No subsequent modification or termination of this Agreement by agreement of the parties or otherwise, shall be construed to waive or to modify any provisions of this Article XI unless the termination or modification agreement or other document expressly so states in writing.

11.13 Limitations. Nothing contained herein shall make or be deemed to make DRS liable or responsible for any contamination existing on the Premises as of the Commencement Date, or for contamination thereafter caused solely by PRPA, its contractors or invitees.

## ARTICLE XII - ASSIGNMENT; LEASING AND LICENSING

12.1 Assignment; Leasing and Licensing. DRS shall not, either directly or indirectly, assign, hypothecate, encumber or transfer this Agreement or any interest therein, or lease or sublease the Premises in whole or in part without the prior written consent of PRPA, which consent may be withheld, conditioned or delayed for any reason or no reason whatsoever in PRPA's sole and absolute discretion (except for leases involving Tioga Fruit Terminal, Inc. and Crowley American Transport, Inc. in which case PRPA will be commercially reasonable in exercising its consent rights). DRS shall provide PRPA with a copy of all proposed leases for which DRS is seeking PRPA's consent together with any other information as may be requested by PRPA. DRS shall provide copies of any such permitted leases to PRPA immediately following execution thereof.

12.2 PRPA's Assignment and Successors. PRPA shall have the right to assign, hypothecate, or transfer this Agreement, its interest in and to the Premises, or any interest in either of the foregoing in whole or in part to the Ports of Philadelphia and Camden, Inc. ("PPC") or any successor or affiliate of either PRPA or PPC.

12.3 Terms Binding on Successors. All the terms covenants and conditions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns (if permitted) of the parties hereto. The provisions of this Section 12.3 shall not be deemed a waiver of any of the conditions against assignment by DRS hereinbefore set forth.

### ARTICLE XIII - DRS' COVENANTS

13.1 Liens and Encumbrances. DRS shall keep the Premises free and clear of all liens and encumbrances. At PRPA's request, DRS shall furnish PRPA with written proof of payment of any item which would constitute the basis for such a lien on the Premises if not paid.

13.2 PRPA Regulations. DRS shall comply with all reasonable rules and regulations of PRPA, as provided by written notice to DRS, pertaining to the Premises or any buildings or structures located thereon, either now in existence or hereafter promulgated for the general safety and convenience of PRPA, its tenants, invitees, licensees and the general public to the extent that such rules and regulations do not material conflict with the terms of this Agreement.

13.3 Anti-Churning Restriction. During the Term, DRS shall not solicit business from any customer at any facility owned or leased by PRPA for business or cargo handled at such facility; provided, however, that if PRPA's interest in this Agreement shall be assigned to the PPC, DRS may freely solicit business from customers at facilities operated by any such persons or entities not having a provision substantially similar to this section in their respective leases.

13.4 Railroads. DRS covenants and agrees that any railroad upon the Premises shall be operated on the "Belt Line Principle"; i.e., no railroad shall be granted an exclusive right to deliver and/or receive railcars to and from the Premises. DRS covenants and agrees that all railroad tracks leading to or from the Premises shall be operated on the same "Belt Line Principle" and to maintain free and unimpeded access to the Premises for any rail carrier delivering or receiving cars to or from the Premises. DRS further agrees that all railroad tracks shall be kept clear of any and all obstructions including, without limitation, snow and ice, temporary or moveable structures and equipment.

13.5 Fire Safety. DRS shall use every reasonable precaution against fire.

13.6 Sanitation. DRS shall promptly remove all dirt, rubbish and refuse matter from the Premises and keep the same clean at all times to the satisfaction of PRPA and the Commonwealth, and other governmental agencies having jurisdiction thereof, provided said removal does not unreasonably interfere with DRS' business or is unduly burdensome. Upon 24 hours prior written notice by PRPA, DRS shall remove any dirt, rubbish, and/or refuse from the Premises. If DRS refuses to remove such material, PRPA shall have the right (but not the obligation) to remove same and to charge DRS 125% of the cost of such removal.

13.7 Explosives. DRS shall not discharge, load or store, nor permit the discharging, loading or storage of explosive materials of any kind upon the Premises, or vessels, railroad cars, trucks or other vehicles moored to or upon the Premises except as permitted in writing by PRPA or the City of Philadelphia's regulation of March 30, 1983, as heretofore or hereafter amended, supplemented or replaced (attached as Exhibit "H"), any such discharge, loading or storage being hereby specifically prohibited.



13.8 Snow and Ice. DRS shall immediately remove accumulations of snow from the Premises and, to the extent practical and in accordance with the responsibilities of DRS hereunder, keep all roofs, eave boxes and deck drains free from any obstruction.

13.9 Security. DRS shall at all times provide adequate security for the entire Premises, which security shall be satisfactory to PRPA in its reasonable discretion.

#### ARTICLE XIV - DAMAGE TO THE PREMISES

##### 14.1 Damage and Destruction.

14.1.1 Repairs. In the event that the Premises or any part thereof is damaged or destroyed by fire or other casualty, provided that DRS is not in default of this Agreement and that no event, occurrence, action or inaction has occurred and is continuing, which with the passage of time or giving of notice, or both, would render DRS in default of this Agreement, PRPA shall, subject to its rights under this Section 14.1.1, promptly and diligently restore, rebuild and repair the Premises, as the case may be, solely to the extent of DRS' available insurance proceeds (all of which shall be paid directly to PRPA by the insurer), as nearly as practicable to the condition existing immediately prior to such casualty.

14.1.2 Demolition. In the event any portion of the Premises is damaged or destroyed and PRPA, pursuant to this Section 14.1.2, elects not to restore, rebuild or repair such portion of the Premises, then PRPA shall raze or otherwise make secure such portion of the Premises, to the extent feasible solely utilizing DRS' available insurance proceeds, all of which shall be paid directly to PRPA by the insurer.

14.1.3 Base Rent Abatement. DRS shall be entitled to an equitable reduction of the Base Rent during any period in which the Premises or any portion thereof is not usable by DRS due to damage or destruction caused by a fire or casualty for which DRS and its employees and contractors do not have any liability, to the extent such inability to use that portion of the Premises substantially hinders DRS' ability to handle cargo at the Premises.

14.1.4 No Consequential Damages. No damages, compensation or claim of any kind shall be payable to DRS by the PRPA for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises following a casualty provided PRPA acts diligently to repair such damage. Subject to the other provisions of this Article XIV, PRPA shall use all reasonable efforts to effect repair or restoration undertaken pursuant to this Article XIV promptly and in such manner as not unreasonable to interfere with the DRS' use, occupancy and security.

14.1.5 DRS' Duty to Insure. PRPA will not carry insurance of any kind on the DRS' personal property, cargo, property of others, or on any alterations or improvements constructed at the Premises by DRS and, except as otherwise specifically required by law or this Agreement, shall not be obligated to repair any damage thereto or replace the same.

14.1.6 Limitation. Notwithstanding anything to the contrary contained in this Article XIV, in the event the damage shall involve the Premises generally and shall be so extensive that PRPA shall decide not to repair or rebuild the Premises, or if available insurance proceeds are insufficient to repair or rebuild the damage, or if the casualty shall be of a type not insured against under standard fire policies with extended type coverage, this Agreement shall at the option of PRPA, exercisable by written notice to DRS given within ninety (90) calendar days after PRPA is notified of the extent of the casualty, be terminated as of a date specified in such notice (which shall not be more than sixty (60) calendar days thereafter) and the Base Rent (taking into account any abatement as aforesaid) shall be adjusted proportionately as of the termination date and DRS shall thereupon promptly vacate the Premises.

#### ARTICLE XV - WAIVER

15.1 Waivers. No waiver by either party at any time of any of the terms, conditions, covenants or agreements of this Agreement shall be meant to be taken as a waiver at any time thereafter of the same or of any other term, condition, covenant or agreement herein contained, nor the strict and prompt performance thereof by the proper party.

#### ARTICLE XVI - MECHANIC'S LIENS

16.1 Mechanic's Liens. DRS will not permit, and will promptly discharge, at its sole cost and expense, all liens and charges upon the Premises or a part hereof arising by reason of any labor or materials furnished or claimed to have been furnished to or on behalf of DRS, its agents, sublessees, licensees, assigns, permittees, employees or independent contractors or by reason of any construction, alteration, addition, repair or demolition of any part of the Premises (by or on behalf of DRS, its agents, sublessees, licensees, assignees, permittees, employees or independent contractors). PRPA shall have, and is hereby given authority to enter upon the Premises at any reasonable time to post notices in a reasonable manner and at reasonable places which in its option shall be necessary to hold PRPA harmless from any claim or liability arising out of any work done on the Premises. Notice is hereby given that PRPA will not be liable for any labor, services or materials furnished or to be furnished by or for DRS, or to any holding on the Premises through or under DRS, and that no mechanic's or other such liens for any such labor or materials shall attach to or affect the interest of PRPA in and to the Premises.

#### ARTICLE XVII - EMPLOYMENT PRACTICES

17.1 Employment Practices. During the Term, DRS hereby agrees to fully comply with the Employment Practices Requirements as set forth in Exhibit "I" attached hereto and made a part hereof.



## ARTICLE XVIII - REMEDIES

18.1 PRPA's Remedies. If DRS does not pay in full when due any installment of Rent, or any other charge, expenses or costs to be paid by DRS under this Agreement after the expiration of the applicable notice and grace periods provided in Section 18.1.5, or otherwise fails to perform, violates or otherwise breaks any covenant of DRS in this Agreement, or fails to comply with any notice given under the terms of this Agreement after expiration of the applicable notice and grace periods provided in Section 18.1.5, then PRPA shall have the following rights and remedies in addition to any other remedies available at law or in equity (including injunctive relief in the case of a default of any non-monetary obligation by DRS under this Agreement):

18.1.1 The entire Rent for the entire Term of this Agreement, as well as all other fees, charges, payments, costs and expenses to be paid by DRS under this Agreement, or at PRPA's option, any part thereof, shall at the option of PRPA, be taken to be due and payable forthwith and in arrears as if by the terms of this Agreement it or they were all payable in advance, with the right on the part of PRPA to take such action under the provisions of this Agreement as is provided for when rent is in arrears and unpaid, and the unpaid balance of the entire rent for the entire term of this Agreement shall be first paid out of the proceeds realized under any assignment, receivership, or under any sheriff's or marshal's sale, or sale under proceeds in bankruptcy, insolvency or like proceedings, or under any other compulsory procedure or order of court, any law, usage or custom to the contrary notwithstanding;

18.1.2 THE FOLLOWING PARAGRAPHS SET FORTH WARRANTS OF AUTHORITY FOR AN ATTORNEY TO CONFESS JUDGMENT AGAINST DRS.

(i) IF DRS SHALL DEFAULT IN THE PAYMENT OF RENT, ADDITIONAL RENT OR ANY OTHER SUMS DUE UNDER THIS AGREEMENT BY DRS, DRS HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR DRS IN ANY AND ALL SUITS OR ACTIONS WHICH MAY BE BROUGHT FOR SAID RENT, ADDITIONAL RENT AND/OR OTHER SUMS; AND IN SAID SUITS OR ACTIONS TO CONFESS JUDGMENT AGAINST DRS FOR ALL OR ANY PART OF SAID RENT, ADDITIONAL RENT AND/OR OTHER SUMS AND FOR INTEREST AND COSTS, TOGETHER WITH AN ATTORNEYS' COMMISSION FOR COLLECTION OF FIVE PERCENT BUT NOT LESS THAN TEN THOUSAND DOLLARS (\$10,000). SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY OF SAID RENT, ADDITIONAL RENT OR OTHER SUMS SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE TERMINATION OR EXPIRATION OF THE TERM OF THIS AGREEMENT.

(ii) WHEN THIS AGREEMENT OR DRS' RIGHT OF POSSESSION SHALL BE TERMINATED BY COVENANT OR CONDITION BROKEN, OR FOR ANY OTHER REASON, EITHER DURING THE TERM OF THIS AGREEMENT, AND ALSO WHEN AND AS SOON AS SUCH TERM SHALL HAVE EXPIRED OR BEEN TERMINATED, DRS HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY



ATTORNEY OF ANY COURT OF RECORD AS ATTORNEY FOR DRS AND ANY PERSONS CLAIMING THROUGH OR UNDER DRS TO CONFESS JUDGMENT IN EJECTMENT AGAINST DRS AND ALL PERSONS CLAIMING THROUGH OR UNDER DRS FOR THE RECOVERY BY PRPA OF POSSESSION OF THE PREMISES, FOR WHICH THIS AGREEMENT SHALL BE SUFFICIENT WARRANT, WHEREUPON, IF PRPA SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDINGS WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED THE SAME SHALL BE DETERMINED, CANCELED OR SUSPENDED AND POSSESSION OF THE PREMISES REMAIN IN OR BE RESTORED TO DRS OR ANY PERSON CLAIMING THROUGH OR UNDER DRS, PRPA SHALL HAVE THE RIGHT, UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON ANY SUBSEQUENT TERMINATION OR EXPIRATION OF THIS AGREEMENT OR ANY RENEWAL OR EXTENSION HEREOF, OR OF DRS' RIGHT OF POSSESSION, AS HEREINBEFORE SET FORTH, TO CONFESS JUDGMENT IN EJECTMENT AS HEREINBEFORE SET FORTH ONE OR MORE ADDITIONAL TIMES TO RECOVER POSSESSION OF THE PREMISES.

(iii) IN ANY ACTION OF OR FOR EJECTMENT OR FOR RENT OR ADDITIONAL RENT, IF PRPA SHALL FIRST CAUSE TO BE FILED IN SUCH ACTION AN AFFIDAVIT MADE BY IT OR SOMEONE ACTING FOR IT SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT, SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE OF SUCH FACTS; AND IF A TRUE COPY OF THIS AGREEMENT (AND OF THE TRUTH OF THE COPY SUCH AFFIDAVIT SHALL BE SUFFICIENT EVIDENCE) BE FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING. DRS RELEASES TO PRPA, AND TO ANY AND ALL ATTORNEYS WHO MAY APPEAR FOR DRS, ALL PROCEDURAL ERRORS IN ANY PROCEEDINGS TAKEN BY PRPA, WHETHER BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED IN THIS AGREEMENT OR NOT, AND ALL LIABILITY THEREFOR.

18.1.3 PRPA may, at its option, relet the Premises as agent of DRS for the balance of the Term and receive the rent therefor and apply the same to the payment of any Rent or damage for default of any obligation under this Agreement or any covenant herein contained due by DRS to PRPA under the terms hereof;

18.1.4 To the extent permitted by law, PRPA may itself or by its agent, without notice, enter upon the Premises, either by force or otherwise, and eject and expel DRS and all others therefrom, without being liable to any prosecution or action therefor, the consent of DRS being hereby given to PRPA and to any officer or agent of PRPA holding a warrant of distress or writ of execution issued by PRPA against DRS to break or otherwise open all locked doors or windows for the purpose of such entry; and upon such entry PRPA or any officer or agent of PRPA holding such a warrant of distress or writ of execution may attach and levy upon any goods found therein; and



18.1.5 In the event of any alleged default of any obligation under this Agreement or any covenant herein contained by DRS, PRPA shall promptly give written notice thereof to DRS and DRS shall have a period of ten (10) calendar days in the case of the nonpayment of any Rent and in all other cases a period of thirty (30) calendar days after receipt of such written notice to cure any such alleged default of any obligation under this Agreement or any covenant herein contained. PRPA agrees that it will not exercise any remedy for a default under this Agreement until after the expiration of the appropriate period, and further agrees that it will not exercise any remedy against DRS if within the appropriate period DRS (i) cures the default other than the nonpayment of Rent, or (ii) commences action in good faith within said thirty (30) day period to cure the default within a reasonable time and diligently pursues such cure to completion.

18.2 True Copies of Agreement. In exercising any power conferred under this Agreement, either by the entry of an appearance, or by the confession of a judgment if PRPA, or its agent or attorney, shall cause to be filed in such action an affidavit setting forth the facts necessary to authorize the entry of judgment and if a true copy of this Agreement (as of the truth of the copy, such affidavit shall be sufficient proof) be filed in such proceedings, it shall not be necessary to file the original as a warrant of attorney, any law, or rule of court to the contrary notwithstanding.

18.3 No Exhaustion of Powers. Any power herein given to enter an action or to appear for and confess and enter judgment against DRS, and the right to assess damages under any such judgment, shall be exercisable any number of times and shall not, under any circumstances, be exhausted by one or more uses thereof.

18.4 Waiver of Exemptions. DRS hereby waives and releases unto PRPA the benefit of any laws which do now or hereafter shall exempt any property upon the Premises or elsewhere belonging to DRS from levy and sale upon distress for the rents or sums of money hereby reserved as rent, or upon any execution on any judgment obtained in an action brought for a default of any obligation under this Agreement.

18.5 Remedies Cumulative. All of the remedies herein given to PRPA and all rights and remedies given to it by law shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Premises shall deprive PRPA of any of its remedies or actions against DRS for all arrears of Rent, or for damages, or for a default of any obligation under this Agreement or of any covenant herein contained, nor shall the bringing of any action for arrears of Rent or a default of any obligation or covenant under this Agreement or the resort to any other remedy herein provided for the recovery of arrears of Rent to be construed as a waiver of the right to obtain possession of the Premises.

18.6 DRS' Warranty. IN CREATING ANY WARRANT OF ATTORNEY TO CONFESS JUDGMENT, CONTAINED IN THIS AGREEMENT, DRS REPRESENTS AND WARRANTS THAT IT KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ON THE ADVICE OF ITS SEPARATE COUNSEL, HAS AGREED TO SUCH REMEDY AND RIGHTS GRANTED THEREBY TO PRPA.



## ARTICLE XIX - SIGNS

19.1 Signs. DRS shall not place a sign on or about the Premises or any building or structure located thereon without the prior written consent of PRPA. PRPA reserves the exclusive right to place signs at the Premises provided same does not interfere or compete with DRS' business. DRS agrees to remove promptly, to the satisfaction of PRPA, and, at the cost and expense of DRS, upon the expiration of the Term or the earlier termination of this Agreement, any and all signs and placards placed by it upon the Premises, and to repair all damage caused by such removal or the initial installation of such sign.

## ARTICLE XX - REPRESENTATIONS AND WARRANTIES OF DRS

20.1 Authorization. DRS and the individual signing below on DRS' behalf hereby represent and warrant to PRPA that DRS has the requisite power and authority to make and perform its obligations under this Agreement, and that the execution of this Agreement has been duly authorized by all requisite corporate action.

20.2 Non-Conflict. DRS hereby represents and warrants to PRPA that the execution, delivery and performance of this Agreement will not violate any provision of, nor conflict with, nor result in a default pursuant to Resolution No. 1998-06 adopted on January 23, 1998, of, any of the terms, conditions, or provisions of, nor constitute a default under, any agreement, indenture or instrument to which DRS is a party.

## ARTICLE XXI - EMINENT DOMAIN

21.1 Title to Award. In the event the Premises or any part thereof shall be taken or condemned either permanently or temporarily for any public or quasi public use or purpose by any competent authority in appropriation proceedings or by any right of eminent domain, the entire compensation award therefor, including, but not limited to, all damages as compensation for diminution in value of the leasehold, reversion, and fee, shall belong to PRPA without any deduction therefrom of any present or future estate of DRS, and DRS hereby assigns to PRPA all its right, title and interest to any such award. DRS shall nonetheless have the right to independently claim and recover from the condemning authority, but not from PRPA or in diminution of the sums payable to PRPA by the condemning authority, such compensation as may be separately awarded or recoverable by DRS on account of any damage to DRS' business by reason of the condemnation or on account of any cost or loss to which DRS might be put in removing DRS' merchandise, furniture, fixtures, leasehold improvements and equipment.

21.2 Permanent Taking. If the whole of the Premises shall be taken by any public authority under the power of eminent domain, this Agreement shall terminate as of the day possession shall be taken by such public authority, and DRS shall pay Rent up to that date with an appropriate refund by PRPA of such Rent as shall have been paid in advance for a period subsequent to the date of the taking. If less than twenty-five percent (25%) of the area of the



Premises shall be so taken, this Agreement shall terminate only with respect to the parts so taken as of the day possession shall be taken by such public authority, and DRS shall pay Rent for the entire Premises up to that day with appropriate refund by PRPA of a proportionate share of such Rent as may have been paid in advance for a period subsequent to the date of the taking and, thereafter, the Basic Rent shall be equitably adjusted, and PRPA shall at its expense make all necessary repairs or alterations to the affected portion of the Premises; provided, however, that if either PRPA or DRS reasonably determines that such taking results in DRS being unable to continue to conduct the Permitted Use at the Premises, either PRPA or DRS may terminate this Agreement by written notice delivered to the other within thirty (30) calendar days after such taking occurs. If more than twenty-five percent (25%) of the area of the Premises shall be so taken, then this Agreement shall terminate with respect to the part so taken from the day possession shall be taken by such public authority, and DRS shall pay Rent for the entire Premises up to that day with an appropriate refund by PRPA of a proportionate share of such Rent as may have been paid in advance for a period subsequent to the date of the taking, and either party shall have the right to terminate this Agreement upon notice in writing within thirty (30) calendar days after such taking of possession; provided, that in the event neither party so terminates, all of the terms herein provided shall continue in effect except that the Base Rent shall be equitably abated, and PRPA shall make all necessary repairs or alterations to the affected portion of the Premises.

21.3 Temporary Taking. If less than the fee title to all or any portion of the Premises shall be taken for temporary use or occupancy, this Agreement shall continue in full force and effect without reduction or abatement of the Base Rent except as herein provided, and DRS shall be entitled to make claim for, recover and retain (so long as DRS shall not be in default under this Agreement) any awards in the form of rent recoverable in respect of such taking, except that if such taking shall be for a period extending beyond the expiration of the Term of this Agreement, PRPA shall be entitled to receive such portion of the award as shall be attributable to the portion of such period occurring after such expiration. During the period of any such taking prior to the expiration of the Term of this Agreement DRS shall pay to PRPA Rent as provided for in this Agreement. If any such taking extends for six (6) months or more, DRS shall have the right to terminate this Agreement upon thirty (30) calendar days written notice to PRPA.

21.4 DRS' Recovery of Unamortized Capital Improvements. DRS shall have the right to make a claim against PRPA for the unamortized portion of any capital improvements made by DRS at the Premises. For purposes of this provision, the amortization period for any capital improvement shall be the period commencing upon the date of completion of such capital improvement and expiring upon the Termination Date. For purposes of this Section 21.4, any relocation or purchase of a third crane pursuant to Section 3.8 shall be deemed a capital improvement. However, in the case of a temporary taking, DRS' claim shall be limited to annual payments equal to the amortization for that year.

## ARTICLE XXII - MISCELLANEOUS

22.1 Notices. Any notice permitted or required to be sent under this Agreement by either party to the other party shall be in writing, and shall be deemed to have been given when

served in person on the addressee against a signed receipt, or sent by certified mail, return receipt requested, or by commercial overnight delivery service, postage prepaid, addressed as follows:

If to PRPA:

Philadelphia Regional Port Authority  
210 West Washington Square, 13th floor  
Philadelphia, PA 19106  
Attention: James T. McDermott, Esquire  
Executive Director

with a copy to:

Reed Smith Shaw & McClay, LLP  
2500 One Liberty Place  
1650 Market Street  
Philadelphia, PA 19103-7301  
Attention: Peter J. Tucci, Esquire

If to DRS:

Delaware River Stevedores, Inc.  
441 North Fifth Street, Suite 303  
Philadelphia, PA 19123  
Attention: Robert W. Palaima  
President

with a copy to:

Klett Lieber Rooney & Schorling  
Two Logan Square, 12th Floor  
Philadelphia, PA 19103-6901  
Attention: Jan Z. Krasnowiecki, Esquire

or at such other place and to such other persons as the parties hereto may from time to time designate. Notices may be given on behalf of either party by such party's counsel.

22.2 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth which are applicable to agreements made and to be performed wholly within Pennsylvania. Any action brought to enforce or interpret the terms of this Agreement shall be brought solely in the Court of Common Pleas of Philadelphia, Pennsylvania or in the Federal District Court for the Eastern District of Pennsylvania. DRS



hereby irrevocably consents to service of process upon DRS in any litigation by hand delivery to any employee of DRS at the Premises. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that document should be construed more strictly against the party who itself or through its agent prepared same. It is agreed and stipulated that all parties hereto have participated equally in the preparation of this Agreement.

22.3 Gender and Number. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any Section or clause thereof may require, as if such words had been fully and properly written in such number and gender.

22.4 Captions. The captions and table of contents in this Agreement are inserted only as a matter of convenience and for ease of reference and in no way define, limit, enlarge or describe the scope or intent of this Agreement nor shall they in any way affect this Agreement or the construction of any provision hereof.

22.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall be binding when one or more counterparts hereof, individually or taken together, shall bear the signature of all the parties reflected on this Agreement as signatories.

22.6 DRS' Successors and Assigns. The covenants, conditions and agreements in this Agreement shall bind and inure to the benefit of DRS, and, except as otherwise expressly provided in this Agreement, its legal representatives, successors and assigns.

22.7 PRPA's Successors and Assigns; Limitation of Liability. The term "PRPA" as used in this Agreement means the fee owner of the Property from time to time or, if different, the party from time to time holding and exercising the right as against all others to possession of the Premises or any entity to which PRPA conveys, assigns or transfers all or part of its interest in the Premises at any time and from time to time. PRPA represents that it is the holder of such right as of the date hereof. In the event of the voluntary or involuntary transfer of such ownership or right to a successor-in-interest of PRPA, PRPA shall be discharged and relieved of all liability and obligations under this Agreement which shall thereafter accrue, provided the successor-in-interest assumes said liability and obligations, and DRS shall look solely to such successor-in-interest for the performance of the covenants and obligations of PRPA under this Agreement which shall thereafter accrue. The liability of PRPA and its successors-in-interest under or with respect to this Agreement, and of PRPA's directors, officers, shareholders or constituent partners, shall be strictly limited to and enforceable solely out of its or their interest in the Premises and shall not be enforceable out of any other assets, and DRS shall cause the judgment index to be so marked. Subject to the foregoing, the provisions hereof shall bind and inure to the benefit of the successors and assigns of PRPA.



22.8 Invalidity of Provisions. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

22.9 No Joint Venture. Nothing herein contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of (i) principal and agent, (ii) a partnership, or (iii) a joint venture between the parties hereto, it being understood and agreed that neither any provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship to the parties hereto other than the relationship of landlord and tenant.

22.10 Exhibits. All exhibits attached to this Agreement are incorporated herein by this reference and made a part hereof as if fully set forth in this Agreement; provided, however, in the event that at the time of the execution of this Agreement any of the exhibits attached hereto are incomplete, the parties shall use their best efforts to complete such exhibits at the earliest possible date.

22.11 No Recordation. This Agreement shall not be recorded in the public records in whole or in memorandum form by either parties hereto without the prior written consent of the other.

22.12 Time of Essence. Time is of the essence of this Agreement.

22.13 Business Interruption. PRPA shall not be liable for damages by reason of any inconvenience or interruption to the business of DRS arising from any taking under the power of eminent domain, any loss or damage to or destruction of the Premises by fire, casualty or other cause whatsoever, or from the making of additions, alterations or repairs to the Premises, except if same was due to the negligence of PRPA, its agents or representatives.

22.14 Entire Agreement. This Agreement sets forth all the promises, agreements, conditions and understandings between PRPA and DRS relative to the Premises, and that there are no promises, agreements, conditions or understandings either oral or written, between them other than as are herein set forth. Except as otherwise provided herein, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon PRPA and DRS unless made in writing and signed by both parties hereto.

22.15 Liability of the Commonwealth of Pennsylvania. This Agreement is not an obligation of the Commonwealth or any political subdivision thereof, other than PRPA, nor shall the Commonwealth or any political subdivision thereof, other than PRPA, be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the Commonwealth or any political subdivision thereof.



22.16 Marketing. DRS shall market its services offered at the Premises and the Premises itself in a professional, first class manner at least equivalent to the marketing efforts of similar enterprises. In furtherance of its marketing obligations, DRS shall establish a Marketing Task Force (which shall be comprised of, among others, Jim Pedersen, Darrel Bahner and Joseph Casella provided that such individuals are employed by DRS or any entity controlling, controlled by or under common control with DRS or have the capacity to continue such employment) to develop (jointly with PRPA) and implement specific marketing goals to maximize the use and operation of the Premises for increased cargo handling. DRS shall establish an automated information system and coordinate direct electronic communications links for daily contact among Marketing Task Force members and asynchronous conferencing, monthly teleconference briefings and face-to-face meetings on at least a quarterly basis. DRS agrees to coordinate all marketing efforts with PRPA and its designees and all current and future tenants, licensees and occupants of the Premises.

22.17 Operations Oversight Team. DRS and PRPA shall jointly establish an oversight operations team to be comprised of members from the respective operations staff of both DRS and PRPA. The Operations Oversight Team will meet routinely (not less than once a month) to discuss current and future operating problems and opportunities with respect to the Premises, critique past operations and efforts for improvement, and coordinate future goals with those of the Marketing Task Force to be established pursuant to Section 22.16 above.

22.18 Statutory Authority. This Agreement is being entered into pursuant to the provisions of Section 11(c) of the Philadelphia Regional Port Authority Act, Act of July 10, 1989, P.L. 291, No. 1989-50, with approval of a majority of the members of the Board of the Authority.

22.19 DRS Integrity Provisions. During the term of this Agreement, DRS hereby agrees to fully comply with the DRS Integrity Provisions set forth in Exhibit "J" attached hereto and made hereby made a part hereof.

22.20 Books, Records and Reports. DRS shall keep complete and accurate books, records and accounts relating to all operations of the Premises. DRS shall make all information relating to the operations of the Premises available to PRPA through electronic communication links. DRS shall submit to the Operations Department of PRPA on or before the 15th day of each calendar month during the Term of this Agreement a true and accurate report in the form attached hereto as Exhibit "K". PRPA or its designees shall have the right and privilege to inspect and audit DRS' books, records and accounts at all reasonable times to verify the information contained in such monthly reports and the calculations relating to Sections 3.2, 3.3 and 3.4 of this Agreement, and DRS agrees that such records and accounts shall be made available to PRPA upon request. If any audit discloses that DRS has understated the fees or Rent due to PRPA under this Agreement, DRS shall immediately, upon demand pay to PRPA such unpaid fees and the costs and expenses incurred by PRPA in conducting such audit.

22.21 Estoppel Certificates. Each party hereby agrees that, at any time from time to time upon the written request of the other party (the "Requesting Party"), it shall within fifteen (15) days of the date of such written request, execute and deliver to the Requesting Party a



written statement: (i) confirming the commencement and expiration dates of this Agreement; (ii) certifying that this Agreement is in full force and effect and has not been modified, assigned, supplemented or amended except by such writings as shall be stated; (iii) certifying that all conditions and agreements under this Agreement to be satisfied or performed by the Requesting Party have been satisfied and performed except as shall be stated; (iv) certifying that the Requesting Party is not in breach or default under this Agreement and there are no defenses or offsets against the enforcement of this Agreement by the Requesting Party except as shall be stated; (v) stating the date through which all rent and other sums payable under this Agreement have been paid; and (vi) providing any other information which the Requesting Party shall reasonably request.

#### 22.22 Force Majeure.

22.22.1 Neither party hereto shall be deemed to be in breach of this Agreement by reason of failure to perform any of its obligations hereunder, if and to the extent that such failure is caused by a force majeure, which is a cause beyond the control of such party, such as an act of God, fire, flood, explosion, acts of war, riot, civil disorder, casualty caused by third parties not under the control of the party seeking to invoke the application of this Section, strikes or work stoppages (except such strikes or work stoppages resulting from such party's "unfair labor practices," as that term is used in the National Labor Relations Act) or governmental action. (Strikes or work stoppages shall be deemed not to have resulted from a party's unfair labor practices until such time, if any, that there is a final administrative or judicial determination, and no appeal is pending and the time for any such appeal has expired, that the conduct that caused such strike or work stoppage was an unfair labor practice, in which event any reduction in Base Rent payable pursuant to Section 3.1 attributable to the strike or work stoppage caused by such unfair labor practice (as determined by PRPA) shall be paid by DRS to PRPA within thirty (30) days of such determination.) In order for a party not to be deemed to be in breach of this Agreement by reason of force majeure, the parties must mutually agree that a certain event constitutes force majeure. For purposes solely with respect to this Section 22.22.1, any dispute concerning whether a particular event or series of events constitutes force majeure shall be settled pursuant to arbitration in accordance with the rules of the American Arbitration Association and any judgment upon any award rendered may be entered in any court having jurisdiction thereof.

22.22.2 All amounts payable by DRS hereunder whether characterized as rent, fees, charges or other sums and DRS' minimum performance guaranties set forth in Article IV of this Agreement shall not be affected by an event of force majeure except that if and to the extent that an event of force majeure materially adversely affects the ability of DRS to conduct maritime operations at the Premises or the ability of a normal volume of vessels to use the Premises, the



minimum performance guaranties set forth in Article IV of this Agreement shall be equitably reduced in an amount to be determined by PRPA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

DELAWARE RIVER STEVEDORES, INC.

By: Mary Jane Piazza  
Name: Mary Jane Piazza  
Title: Secretary

By: Robert W. Palaima  
Name: Robert W. Palaima  
Title: President

ATTEST

THE PHILADELPHIA REGIONAL PORT  
AUTHORITY

By: David A. Dambly  
Name: David A. Dambly  
Title: Assistant Secretary

By: James T. McDermott, Jr.  
Name: James T. McDermott, Jr.  
Title: Executive Director

Approved as to Legality and Form:

Approved as to Propriety and Availability of Funds:

THE PHILADELPHIA REGIONAL  
PORT AUTHORITY

THE PHILADELPHIA REGIONAL  
PORT AUTHORITY

By: Peter J. Tucci  
Name: Peter J. Tucci  
Title: Acting Chief Counsel

By: Bruce J. Colucci  
Name: Bruce J. Colucci  
Title: Fiscal Administrator

OFFICE OF THE ATTORNEY  
GENERAL

OFFICE OF THE BUDGET

By: David J. DeVries  
Name: David J. DeVries  
Title: Chief Deputy Attorney General

By: Veronica Botts  
Name: Veronica Botts  
Title: Comptroller

## EXHIBIT "A"

### THE PREMISES

The Tioga Container Terminal ("TCT") consists of Tioga IA (the northern portion of Tioga I Terminal). The Tioga Breakbulk Terminal ("TBT") consists of two areas: Tioga IB and Tioga II. TBT and TCT together comprise the Tioga Marine Terminal ("TMT").

TCT covers approximately 50.221 acres in area and is bounded by Delaware Avenue to the north/northwest, Tioga IB to the south/southwest, and the Delaware River to the southeast. It includes the following major features:

- **Vessel Berths:** Two (2) marginal vessel berths abutting each other and located on the southeastern portion of TCT. The total length of the berths is approximately one thousand four hundred and nineteen (1,419) feet and their depth is approximately thirty-six (36) feet.
- **Crane and Track:** Crane track approximately one thousand three hundred and seventy-five (1,375) to approximately one thousand four hundred and ninety-two (1492) feet in length runs parallel to the vessel berths described above. Two (2) forty-five (45) ton gantry container cranes are positioned over and perpendicular to the crane track.
- **Buildings:**

#### Tioga I

A terminal equipment maintenance and repair shop (a/k/a the M&R Building), located southeast of Delaware Avenue and northeast of the PGW easement.

A gatehouse for incoming and outgoing containers, located southeast of Delaware Avenue and southwest of both the PGW easement and railroad tracks.

#### Tioga II

Building 179 (a/k/a the Butler Building and Shed 179), a gas-heated container freight station with a total area of approximately forty thousand (40,000) square feet. It has an approximately twenty-two (22) foot clearance under the roof trusses, a northwest loading dock with canopied positions for eight (8) trucks, and a southwest loading dock with canopied positions for twenty (20) trucks.

- **Reefer Outlets:** Eighty (80) refrigerated container receptacles (480 volt, 3 phase) are located southeast of Delaware Avenue and northeast of the M&R Bldg.



TBT covers approximately 46.541 acres in area (Tioga IB contains approximately 33.256 acres and Tioga II contains approximately 13.285 acres.) Tioga IB is bounded by Delaware Avenue to the northwest, Tioga IA to the northeast, and the RoRo Berth and the connecting road to Tioga II to the southwest. Tioga IB includes the following major features:

- **Vessel Berths:** Three (3) marginal vessel berths abutting each other and located on the southeastern portion of Tioga IB. The total length of the berths is approximately one thousand seven hundred and thirty-six (1,736) feet and their depth is approximately thirty-six (36) feet. One slip berth at the south end of Tioga IB runs approximately six hundred and ten (610) feet.
- **Buildings:**  
Tioga I Transit Shed (a/k/a Tioga I Shed), running northeast to southwest on the southeastern portion of Tioga I and parallel to the vessel berths. It is a gas-heated storage building with a total area of approximately three hundred thousand (300,000) square feet. It has an approximately twenty (20) foot clearance under the roof trusses and forty-eight (48) canopied truck loading doors with truck seals and levelers.

Tioga III Building (a/k/a Tioga III Shed), located in the area between the southwestern end of the Tioga I Building and the slip berth. It is a gas-heated building containing transit shed space and terminal space with a total area of approximately ninety-seven thousand five hundred (97,500) square feet. It has an approximately twenty-two (22) foot clearance under the roof trusses and thirty-four (34) canopied truck loading doors with truck seals and levelers.

- **Reefer Outlets:** Forty (40) refrigerated container receptacles (four at 240 volt, 3 phase; thirty-six at 480 volt, 3 phase) are located southeast of Delaware Avenue and near the north area of Tioga IB
- **Trailer Parking Spaces, Service and Access Roads:** these are located approximately along the northwest side of Tioga IB.

Tioga II is bounded by Delaware Avenue to the northwest, Tioga IB to the northeast, and Allegheny Avenue to the southwest. Tioga II includes the following major features:

- **Buildings:**  
A carpenter shop (a/k/a Maintenance Shop), located on the northwest side of Tioga II. It is a masonry structure approximately 61' by 160' by 15/25 feet high, with an approximately 21.25' by 30' by 12-foot high extension. It has a total area of approximately ten thousand four hundred and twelve (10,412) square feet, most of which is floor area on grade; approximately nine hundred and sixty (960) square feet are in a mezzanine area.

Tioga II Building (a/k/a Tioga II, Reefer Shed, Temperature Control Shed, transit shed/warehouse), located on the southeast side of Tioga II. It has a total area of approximately ninety thousand (90,000) square feet divided into five (5) rooms independently capable of electric cooling to thirty-two degrees (32°) Fahrenheit. Rooms 1 and 2 each contain

approximately twenty-five thousand (25,000) square feet of space; the other three rooms contain thirty-three hundred (3,300), fifty-five hundred (5,500) and thirty-one thousand two hundred (31,200) square feet for an approximate total of forty thousand (40,000) square feet of space. There is a mechanic's shop (a/k/a mechanical room) at the southwest end of the building.

Storage Building, a container freight storage building located adjacent to Berth 2, southeast of Delaware Avenue, and northeast of the Tioga II Building.

- **Reefer Outlets:** Thirty-six (36) refrigerated container receptacles (480 volt, 3 phase) are located southeast of the Carpenter Shop and northwest of the Tioga II Building.
- **Trailer Parking Spaces, Service and Access Roads:** these are located approximately along the north side of Tioga II.

**TIOGA MARITIME TERMINAL MASTER PLAN (Copy on Following Page)**



## **EXHIBIT "B"**

### **PERMITTED EXCEPTIONS**

1. Easements, agreements, restrictions, defects, liens, encumbrances, adverse claims or other matters affecting the Premises whether or not of record;
2. Easements visible upon the ground;
3. Lease Agreement between Philadelphia Port Corporation, as lessor, and Delaware River Terminal, Inc., as lessee, dated January 19, 1970, as amended, and Lease Agreement between Philadelphia Port Corporation, as lessor, and DRT Industries, Inc., as lessee, dated July 14, 1975, as amended, each as assigned and/or assumed by PRPA, as lessor, and GATX Terminals Corporation, as lessee;
4. Rights or claims by parties in possession or under the terms of any recorded or unrecorded leases or other agreements;
5. Trackage rights of railroads;
6. Riparian and navigational rights of the United States, the Commonwealth and the public;
7. Rights-of-way for public streets;
8. Agreement between Neatsfoot Oil Refineries Corporation, successor to The Berg Company and Delaware River Terminal and Warehouse Company, dated 5/28/1954 and recorded in the County of Philadelphia in Deed Book MLS 771 page 453;
9. Easement of a 33-foot wide railroad right-of-way as set forth in Deed Book JJC 21 page 149;
10. Reservation of perpetual easements for pipeline as set forth in Deed Book JRS 614 page 495;
11. Easement of right-of-way for drainage purposes dated 10/7/1968 and recorded 10/8/1968 in Deed Book JRS 231 page 386;
12. Easement of a 33-foot wide right-of-way dated 10/7/1968 and recorded 10/8/1968 in Deed Book JRS 231 page 386;
13. Agreement between Delaware River Terminal and Warehouse Co. and the City of Philadelphia dated 1/25/1957 and recorded 2/7/1957 in Deed Book CAB 510 page 410;

14. Lease between The North Penna. Railroad Company and The Philadelphia and Reading Company dated 5/14/1879 and recorded in Deed Book LW 39 page 481;
15. Agreement between Delaware River Terminal and Warehouse Co. (now known as Delaware River Terminal Inc.) and the City of Philadelphia dated 1/25/1957 and recorded 2/7/1957 in Deed Book CAB 510 page 397;
16. 60-foot wide right-of-way for sewer construction and maintenance lying within the bed of former Westmoreland Street;
17. Drainage right-of-way within the beds of former Ontario Street and former Tioga Street and former Venango Street and former Castor Avenue created by Ordinance dated 8/17/1972;
18. Right-of-Way for drainage purposes, water main purposes, gas main purposes and public utility purposes created by Ordinance dated 12/27/1971 (east side of Delaware Avenue);
19. Right-of-Way for sewer maintenance and construction within the bed of former Castor Avenue, East of Delaware Avenue created by Ordinance dated 8/10/1948;
20. Lease Agreement between Philadelphia Electric Company and Philadelphia Port Corporation dated 4/27/1976, a Memorandum of which was recorded in the County of Philadelphia in Deed Book DCC 1137 page 85;
21. Reservation as set forth in Deed Book CAD 1002 page 342;
22. Covenants and Agreements as authorized by Ordinance (Bill No. 2487) of The Council of the City of Philadelphia, approved by the Mayor on June 9, 1967 as more specifically set forth in the Agreement of Sale authorized thereby between The Philadelphia Electric Company and the City of Philadelphia dated 6/7/1967 in paragraphs 2 to 11 inclusive;
23. Agreement between John A. Lewis, Executor under the Will of John F. Lewis, deceased, and Bell Telephone Company dated 11/26/1900 and recorded in the County of Philadelphia in Deed Book JV 217 page 169;
24. 30-foot wide right-of-way of the Kensington and Tacony Railroad through the Premises; and
25. Rights of the public to that portion of the Premises between the bulkhead line and the pierhead line as established and approved by the Secretary of War 9/10/1940.



## EXHIBIT "C"

### LEASES AND CONTRACTS

1. Lease Agreement between PRPA and Tioga Fruit Terminal, Inc. dated November 21, 1997.
2. Lease Agreement between PRPA and Maritime Terminals of Pennsylvania, Inc. dated February 7, 1997, as amended by letter agreements dated December 16, 1997.
3. Nonexclusive License Agreement between PRPA and Crowley American Transport, Inc. dated February 9, 1995.
4. Lease Agreement between PRPA and Continental Salt, Inc. dated October, 1997, effective February 1, 1998.
5. Security Services Contract between PRPA and Ring Maritime Services, Inc. dated December 1, 1997.
6. Contract between PRPA and Wells Fargo Alarm Services, Inc. dated November 21, 1997.
7. Contract between PRPA and Fluidics, Inc. dated December 24, 1997.
8. Agreement between PRPA and A&S Sprinkler Co., Inc.
9. Purchase Order #P97-042 between PRPA and Fluidics, Inc. dated October 22, 1997.
10. Agreement between PRPA and Regal Cruise Line for berthing, shed space to accommodate the embarking and discharging of passengers and parking space for the parking of vehicles of such passengers and short-term parking for arrival and departure of such passengers.

## EXHIBIT "D-1"

### GUARANTY BY INTERNATIONAL TERMINAL OPERATING CO., INC.

This Guaranty is made of this \_\_\_\_ day of \_\_\_\_\_ 1998, by INTERNATIONAL TERMINAL OPERATING CO., INC., having an address at One Evertrust Plaza, Jersey City, NJ 07302 ("Guarantor").

A. Delaware River Stevedores, Inc. ("DRS") was the successful proposer under the Philadelphia Regional Port Authority Request for Proposals for the operation of the Tioga Marine Terminal (the "RFP").

B. DRS pursuant to the RFP, has entered into a contract with the Philadelphia Regional Port Authority (the "PRPA") for such services (the "Contract") dated as of the date of this Guaranty, which Contract required the execution and delivery of this Guaranty by Guarantor. Hereinafter DRS shall be referred to as the "Provider".

C. The PRPA has requested, and Guarantor has agreed, that Guarantor execute and deliver an unconditional, irrevocable and unlimited guaranty to the PRPA of all obligations of Provider to the PRPA.

D. The execution and delivery by Guarantor of this Guaranty is a material inducement to PRPA to execute the Contract, and Guarantor expects to derive economic benefit from execution by PRPA and DRS of the Contract.

THEREFORE, in consideration of and as an inducement for the granting, execution and delivery of the Contract, and for other good and valuable consideration, Guarantor, intending to be legally bound hereby, irrevocably and unconditionally agree as follows:

1. Guarantor hereby guarantees to the PRPA the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements provided in Articles III and IV of the Contract to be performed and observed by the Provider, its successors and assigns; Guarantor does hereby become surety to the PRPA, its successors and assigns, for and with respect to all of the aforesaid obligations of the Provider under Articles III and IV of the Contract. Guarantor hereby covenants and agrees to and with the PRPA, its successors and assigns, that if default shall at any time be made by the Provider, its successors and assigns, in the performance of any of the covenants, terms, conditions or agreements contained in Articles III and IV of the Contract, and such default is not cured within any applicable cure period and any required notice has been given to Provider, Guarantor will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements so that the PRPA will not suffer any damages, costs or expenses as a result of a default by Provider, its successors and assigns; provided, however, that should the PRPA suffer any such damages, costs or expenses, Guarantor will forthwith pay to the PRPA all damages, costs and expenses that may arise in consequence of any default by the Provider, its successors and assigns, under Articles III and IV of the Contract (including, but not limited to, all attorneys' fees and court costs incurred by the PRPA in any successful enforcement of this Guaranty). Nothing contained in this Guaranty is intended to (i) expand the damages, costs or expenses recoverable under the Contract or (ii) impair Guarantor's right to assert any defenses available to the Provider pursuant to the Contract, unless otherwise specifically provided herein.



2. This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) Guarantor hereby waives any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal or extension which the PRPA may grant, or to which the PRPA and the Provider may agree, with respect to the Contract, waives notice of acceptance of this Guaranty, and waives presentment, demand, notice or protest of any kind except notices to Provider as specifically set forth in the Contract.

3. The obligations of Guarantor under this Guaranty are primary, absolute, independent, irrevocable and unconditional. This shall be an agreement of suretyship as well as of guaranty. Guarantor's liability hereunder is direct and may be enforced without the PRPA being required to resort to any other rights, remedy or security and this guaranty shall be enforceable against Guarantor, and Guarantor's administrators, successors and assigns, without the necessity for any suit or proceedings on the PRPA's part of any kind or nature whatsoever against the Provider, its successor and assigns, and without the necessity of any notice of nonperformance or nonobservant or the continuance of any such default or of the PRPA's intention to act in reliance hereon or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives, other than notices to Provider as specifically set forth in the Contract. Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall not be terminated, affected or impaired by reason of the assertion or the failure to assert by the PRPA against the Provider, or the Provider's successors and assigns, of any of the rights or remedies reserved to the PRPA, pursuant to the provisions of the Contract.

4. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of either (a) the existence of any security given to secure the Provider's obligations under the Contract; (b) the sale, assignment or other transfer of all or any portion of the Contract or any interest of the Provider under the Contract; or (c) any defense that may arise by reason of the incapacity, or lack of authority of the Provider or Guarantor or the failure of the PRPA, to file or enforce a claim against the estate of the Provider in any bankruptcy or other proceeding.

5. Guarantor represents and warrants that (a) Guarantor has either examined the Contract or has had an opportunity to examine the Contract and has waived the right to examine it; (b) Guarantor has full power, authority and legal right to enter into, execute and deliver this Guaranty, the execution and delivery of this Guaranty has been duly authorized by Guarantor; (c) this Guaranty is a valid and binding legal obligation of guarantor, and is fully enforceable against Guarantor in accordance with its terms; (d) the execution, delivery and performance by Guarantor of this Guaranty will not violate or constitute a default under any other agreement or instrument to which Guarantor is a party or is bound; and (e) if Guarantor or Provider has delivered to the PRPA financial statements of Guarantor, there has been no material adverse change in the financial condition of Guarantor from the financial condition or Guarantor shown on such financial statements delivered to the PRPA.

6. Notwithstanding anything contained in this Guaranty or in the Contract to the contrary, Guarantor shall be in default under this Guaranty upon the making by Guarantor of an assignment for the benefit of creditors, or the appointment of a trustee or receiver for Guarantor, or for any property of Guarantor, or the commencement of any proceeding by or against Guarantor, under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, or if any representation or warranty made by Guarantor in this Guaranty is incorrect in a material respect or fails to state a material fact which is necessary to make the representation or warranty not misleading, or if Guarantor fails to perform any of its obligations under this Guaranty after any applicable grace period and any required notice to Provider has been given, or if Guarantor causes or suffers to occur a material adverse change in



its financial condition which causes, or may in the reasonable option of the PRPA, cause Guarantor to be unable to perform its obligations hereunder.

7. Guarantor hereby authorizes any attorney of any court of record in Pennsylvania, or elsewhere, to appear for Guarantor in any and all actions brought on this Guaranty, and to confess judgment against Guarantor for (a) all damages, costs and expenses that may occur in consequence of any default by Guarantor hereunder, and (b) all damages, costs and expenses that may arise in consequence of any default by Provider, its successors and assigns, under Articles III and IV of the Contract, and (c) all costs of suit and an attorney's commission of five percent (5%), together with interest on any judgment obtained by the PRPA at a rate of 125% per annum of the prime rate of First Union National Bank (or its equivalent in the event there shall be no prime rate) or the highest amount permitted by law, whichever is lower, including interest at that rate from and after the date of any sheriff's or judicial sale until actual payment is made to the PRPA of the full amount due the PRPA, and for so doing this shall be a good and sufficient warrant. Guarantor waives and relinquishes all errors, defects and imperfections in the entry of judgment as aforesaid, or in any proceeding pursuant thereto, and all benefits that may accrue to Guarantor by virtue of any law or rule of court relating to a stay of execution or exempting any property from levy or sale under execution. The authority therein granted to confess judgment shall not be exhausted by any exercise thereof, but shall continue from time to time and at all times until all obligations of the Provider to the PRPA have been fully discharged. If a true copy of this Guaranty (and of the truth of the copy an affidavit thereof by the PRPA shall be sufficient evidence) shall be filed in any such suit, action or actions, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.

8. All rights and remedies of the PRPA under this Guaranty, the Contract or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by Guarantor which may be deemed to exist in law or equity. No delay or omission by the PRPA in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any right and remedies hereunder, and no modification or amendment of this Guaranty shall be deemed made by the PRPA or the Guarantor unless in writing and duly signed by the party against which enforcement is being sought. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any right or remedy of the PRPA, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other rights or remedy. This Guaranty shall apply to the Provider's obligations pursuant to any extension, renewal, amendment, modification and supplement of or to the Contract provided for in the original and supplement of or to the Contract provided for in the original provisions of the Contract or otherwise agreed to in writing by the PRPA and the Provider, as well as to the Provider's obligations thereunder in accordance with the original provisions of the Contract.

9. This Guaranty shall be binding upon Guarantor, and Guarantor's administrators, successors and assigns, and shall inure to the benefit of the PRPA and its successors and assigns.

10. Guarantor will deliver to the PRPA, within one hundred twenty (120) days after the end of each fiscal year of Guarantor, a current statement of financial condition of Guarantor as prepared by an independent certified public accountant.

11. Guarantor will not sell, transfer or otherwise dispose of all or a substantial part of its assets to, or consolidate with, or merge into, any person or entity (except a wholly



owned subsidiary of Guarantor) or permit any other person or entity (except a wholly owned subsidiary of Guarantor) to merge into Guarantor, unless:

A. Such successor shall expressly assume in writing the due and punctual performance and observance of all of the terms, covenants and conditions of this Guaranty to be performed or observed by the Guarantor to the same extent as if such successor had originally executed this Guaranty; and

B. Immediately after such consolidation, merger, sale, lease or other disposition the Guarantor or such successor, as the case may be, shall not be in default in the performance or observance of any of the terms, covenants or conditions of this Guaranty, and immediately following such consolidation, merger, sale, lease or other disposition, such successor shall have a financial condition which is not materially inferior to the financial condition of Guarantor immediately prior to such consolidation, merger, sale, lease or other disposition.

12. In the event Guarantor consists of more than one person, firm or corporation, the obligations and liabilities hereunder of such persons, firms and corporations shall be joint and several, and the word "Guarantor" shall mean all or some or any of them.

13. If any provision of this Guaranty is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Guaranty shall remain in full force and effect and shall be liberally construed in favor of the PRPA, in order to effect the provisions of this Guaranty.

14. Guarantor agrees that this Guaranty shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania regardless of where the residence or domicile of Guarantor is now or may hereafter be located.

15. The undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Guarantor, intending to be legally bound hereby, has caused this Guaranty to be executed by its duly authorized officers and has caused its corporate seal to be hereunto affixed, and duly attested, as of the date first above written.

ATTEST:

INTERNATIONAL TERMINAL OPERATING CO., INC.

\_\_\_\_\_  
Name:  
Title:

BY: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT "D-2"

### GUARANTY BY STEVEDORING SERVICES OF AMERICA, INC.

This Guaranty is made of this \_\_\_\_ day of \_\_\_\_\_ 1998, by STEVEDORING SERVICES OF AMERICA, INC. having an address at 1131 SW Klickitat Way, Seattle, WA 98134 ("Guarantor").

A. Delaware River Stevedores, Inc. ("DRS") was the successful proposer under the Philadelphia Regional Port Authority Request for Proposals for the operation of the Tioga Marine Terminal (the "RFP").

B. DRS pursuant to the RFP, has entered into a contract with the Philadelphia Regional Port Authority (the "PRPA") for such services (the "Contract") dated as of the date of this Guaranty, which Contract required the execution and delivery of this Guaranty by Guarantor. Hereinafter DRS shall be referred to as the "Provider".

C. The PRPA has requested, and Guarantor has agreed, that Guarantor execute and deliver an unconditional, irrevocable and unlimited guaranty to the PRPA of all obligations of Provider to the PRPA.

D. The execution and delivery by Guarantor of this Guaranty is a material inducement to PRPA to execute the Contract, and Guarantor expects to derive economic benefit from execution by PRPA and DRS of the Contract.

THEREFORE, in consideration of and as an inducement for the granting, execution and delivery of the Contract, and for other good and valuable consideration, Guarantor, intending to be legally bound hereby, irrevocably and unconditionally agree as follows:

1. Guarantor hereby guarantees to the PRPA the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements provided in Articles III and IV of the Contract to be performed and observed by the Provider, its successors and assigns; Guarantor does hereby become surety to the PRPA, its successors and assigns, for and with respect to all of the aforesaid obligations of the Provider under Articles III and IV of the Contract. Guarantor hereby covenants and agrees to and with the PRPA, its successors and assigns, that if default shall at any time be made by the Provider, its successors and assigns, in the performance of any of the covenants, terms, conditions or agreements contained in Articles III and IV of the Contract, and such default is not cured within any applicable cure period and any required notice has been given to Provider, Guarantor will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements so that the PRPA will not suffer any damages, costs or expenses as a result of a default by Provider, its successors and assigns; provided, however, that should the PRPA suffer any such damages, costs or expenses, Guarantor will forthwith pay to the PRPA all damages, costs and expenses that may arise in consequence of any default by the Provider, its successors and assigns, under Articles III and IV of the Contract (including, but not limited to, all attorneys' fees and court costs incurred by the PRPA in any successful enforcement of this Guaranty). Nothing contained in this Guaranty is intended to (i) expand the damages, costs or expenses recoverable under the Contract or (ii) impair Guarantor's right to assert any defenses available to the Provider pursuant to the Contract, unless otherwise specifically provided herein.



2. This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) Guarantor hereby waives any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal or extension which the PRPA may grant, or to which the PRPA and the Provider may agree, with respect to the Contract, waives notice of acceptance of this Guaranty, and waives presentment, demand, notice or protest of any kind except notices to Provider as specifically set forth in the Contract.

3. The obligations of Guarantor under this Guaranty are primary, absolute, independent, irrevocable and unconditional. This shall be an agreement of suretyship as well as of guaranty. Guarantor's liability hereunder is direct and may be enforced without the PRPA being required to resort to any other rights, remedy or security and this guaranty shall be enforceable against Guarantor, and Guarantor's administrators, successors and assigns, without the necessity for any suit or proceedings on the PRPA's part of any kind or nature whatsoever against the Provider, its successor and assigns, and without the necessity of any notice of nonperformance or nonobservant or the continuance of any such default or of the PRPA's intention to act in reliance hereon or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives, other than notices to Provider as specifically set forth in the Contract. Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall not be terminated, affected or impaired by reason of the assertion or the failure to assert by the PRPA against the Provider, or the Provider's successors and assigns, of any of the rights or remedies reserved to the PRPA, pursuant to the provisions of the Contract.

4. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of either (a) the existence of any security given to secure the Provider's obligations under the Contract; (b) the sale, assignment or other transfer of all or any portion of the Contract or any interest of the Provider under the Contract; or (c) any defense that may arise by reason of the incapacity, or lack of authority of the Provider or Guarantor or the failure of the PRPA, to file or enforce a claim against the estate of the Provider in any bankruptcy or other proceeding.

5. Guarantor represents and warrants that (a) Guarantor has either examined the Contract or has had an opportunity to examine the Contract and has waived the right to examine it; (b) Guarantor has full power, authority and legal right to enter into, execute and deliver this Guaranty, the execution and delivery of this Guaranty has been duly authorized by Guarantor; (c) this Guaranty is a valid and binding legal obligation of guarantor, and is fully enforceable against Guarantor in accordance with its terms; (d) the execution, delivery and performance by Guarantor of this Guaranty will not violate or constitute a default under any other agreement or instrument to which Guarantor is a party or is bound; and (e) if Guarantor or Provider has delivered to the PRPA financial statements of Guarantor, there has been no material adverse change in the financial condition of Guarantor from the financial condition or Guarantor shown on such financial statements delivered to the PRPA.

6. Notwithstanding anything contained in this Guaranty or in the Contract to the contrary, Guarantor shall be in default under this Guaranty upon the making by Guarantor of an assignment for the benefit of creditors, or the appointment of a trustee or receiver for Guarantor, or for any property of Guarantor, or the commencement of any proceeding by or against Guarantor, under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, or if any representation or warranty made by Guarantor in this Guaranty is incorrect in a material respect or fails to state a material fact which is necessary to make the representation or warranty not misleading, or if Guarantor fails to perform any of its obligations under this Guaranty after any applicable grace period and any required notice to Provider has been given, or if Guarantor causes or suffers to occur a material adverse change in



its financial condition which causes, or may in the reasonable option of the PRPA, cause Guarantor to be unable to perform its obligations hereunder.

7. Guarantor hereby authorizes any attorney of any court of record in Pennsylvania, or elsewhere, to appear for Guarantor in any and all actions brought on this Guaranty, and to confess judgment against Guarantor for (a) all damages, costs and expenses that may occur in consequence of any default by Guarantor hereunder, and (b) all damages, costs and expenses that may arise in consequence of any default by Provider, its successors and assigns, under Articles III and IV of the Contract, and (c) all costs of suit and an attorney's commission of five percent (5%), together with interest on any judgment obtained by the PRPA at a rate of 125% per annum of the prime rate of First Union National Bank (or its equivalent in the event there shall be no prime rate) or the highest amount permitted by law, whichever is lower, including interest at that rate from and after the date of any sheriff's or judicial sale until actual payment is made to the PRPA of the full amount due the PRPA, and for so doing this shall be a good and sufficient warrant. Guarantor waives and relinquishes all errors, defects and imperfections in the entry of judgment as aforesaid, or in any proceeding pursuant thereto, and all benefits that may accrue to Guarantor by virtue of any law or rule of court relating to a stay of execution or exempting any property from levy or sale under execution. The authority therein granted to confess judgment shall not be exhausted by any exercise thereof, but shall continue from time to time and at all times until all obligations of the Provider to the PRPA have been fully discharged. If a true copy of this Guaranty (and of the truth of the copy an affidavit thereof by the PRPA shall be sufficient evidence) shall be filed in any such suit, action or actions, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.

8. All rights and remedies of the PRPA under this Guaranty, the Contract or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by Guarantor which may be deemed to exist in law or equity. No delay or omission by the PRPA in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any right and remedies hereunder, and no modification or amendment of this Guaranty shall be deemed made by the PRPA or the Guarantor unless in writing and duly signed by the party against which enforcement is being sought. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any right or remedy of the PRPA, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other rights or remedy. This Guaranty shall apply to the Provider's obligations pursuant to any extension, renewal, amendment, modification and supplement of or to the Contract provided for in the original and supplement of or to the Contract provided for in the original provisions of the Contract or otherwise agreed to in writing by the PRPA and the Provider, as well as to the Provider's obligations thereunder in accordance with the original provisions of the Contract.

9. This Guaranty shall be binding upon Guarantor, and Guarantor's administrators, successors and assigns, and shall inure to the benefit of the PRPA and its successors and assigns.

10. Guarantor will deliver to the PRPA, within one hundred twenty (120) days after the end of each fiscal year of Guarantor, a current statement of financial condition of Guarantor as prepared by an independent certified public accountant.

11. Guarantor will not sell, transfer or otherwise dispose of all or a substantial part of its assets to, or consolidate with, or merge into, any person or entity (except a wholly



owned subsidiary of Guarantor) or permit any other person or entity (except a wholly owned subsidiary of Guarantor) to merge into Guarantor, unless:

A. Such successor shall expressly assume in writing the due and punctual performance and observance of all of the terms, covenants and conditions of this Guaranty to be performed or observed by the Guarantor to the same extent as if such successor had originally executed this Guaranty; and

B. Immediately after such consolidation, merger, sale, lease or other disposition the Guarantor or such successor, as the case may be, shall not be in default in the performance or observance of any of the terms, covenants or conditions of this Guaranty, and immediately following such consolidation, merger, sale, lease or other disposition, such successor shall have a financial condition which is not materially inferior to the financial condition of Guarantor immediately prior to such consolidation, merger, sale, lease or other disposition.

12. In the event Guarantor consists of more than one person, firm or corporation, the obligations and liabilities hereunder of such persons, firms and corporations shall be joint and several, and the word "Guarantor" shall mean all or some or any of them.

13. If any provision of this Guaranty is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Guaranty shall remain in full force and effect and shall be liberally construed in favor of the PRPA, in order to effect the provisions of this Guaranty.

14. Guarantor agrees that this Guaranty shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania regardless of where the residence or domicile of Guarantor is now or may hereafter be located.

15. The undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Guarantor, intending to be legally bound hereby, has caused this Guaranty to be executed by its duly authorized officers and has caused its corporate seal to be hereunto affixed, and duly attested, as of the date first above written.

ATTEST:

STEVEDORING SERVICES OF AMERICA, INC.

\_\_\_\_\_  
Name:  
Title:

BY: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT "E"**

**INVENTORY OF CRANE PARTS**

**[DOCUMENT PREVIOUSLY SUPPLIED BY PRPA TO DRS]**



## **EXHIBIT "F"**

### **OBLIGATIONS WHICH ARE NOT ASSUMED BY DRS**

In the Nonexclusive License Agreement between PRPA and Crowley American Transport, Inc., dated February 9, 1995, the obligations of PRPA which DRS shall not assume are:

- 5.2 PRPA's obligation to provide funding for capital improvements listed in Exhibit "C".
- 8.1 PRPA's obligation to maintain the structural integrity of the buildings and structures, including wharf structures at the premises as described in Exhibit "D".
- 8.6 PRPA's obligation to dredge.
- 11.7 PRPA's obligations and liabilities under that Section.
- 14.1 PRPA's obligation to pay "drayage".

In the Lease Agreement between PRPA and Tioga Fruit Terminal, Inc., dated November 21, 1997, the obligations of PRPA which DRS shall not assume are:

- 6.2 PRPA's obligation to maintain the wharf structure, the roofs, structural elements of the walls and foundations of the buildings forming part of the Premises.
- 6.7 PRPA's obligation to dredge.

## **EXHIBIT "G"**

### **LOAD LIMITS**

In general, the load limit on the paving at Tioga Terminal is 1000 psf. The maximum allowable concentrated stationary load is 50,000 psf.

Note that Tioga III Building was built over a City of Philadelphia sewer. The sewer location is striped on the floor of the shed, and the load limit within the striping is 500 psf.



**EXHIBIT "H"**

**GUIDELINES REGARDING EXPLOSIVES**

**[DOCUMENT PREVIOUSLY SUPPLIED BY PRPA TO DRS]**

## **EXHIBIT "I"**

### **EMPLOYMENT PRACTICES REQUIREMENTS**

During the Term of this Agreement, DRS agrees as follows:

1. DRS shall not discriminate against any employee, applicant for employment, independent contractor, or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. DRS shall take affirmative action to ensure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. DRS shall post in conspicuous places, available to employees, agents, applicants for employment and other persons, a notice setting forth the provisions of this nondiscrimination clause.

2. DRS shall in advertisements or requests for employment placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.

3. DRS shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by DRS.

4. It shall be no defense to a finding of a noncompliance with Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission or this nondiscrimination clause that DRS had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if this evidence indicates that DRS was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

5. Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons, so that DRS will be unable to meet its obligations under the Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission or this nondiscrimination clause, DRS shall then employ and fill vacancies through other nondiscriminatory employment practices.

6. DRS shall comply with the Contract Compliance Regulations of the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49, and with all laws prohibiting discrimination in hiring or employment opportunities. In the event of DRS' noncompliance with the nondiscrimination clause of this Agreement or with any such laws, this Agreement may, after hearing and adjudication, be terminated or suspended, in whole or in part, and DRS may be declared temporarily ineligible for further Commonwealth contracts, and such other sanctions may be imposed and remedies invoked as provided by the Contract Compliance Regulations.



7. DRS shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by, PRPA and the Human Relations Commission, for purposes of investigation to ascertain compliance with the provisions of the Contract Compliance Regulations, pursuant to §49.35 (relating to information concerning compliance by contractors). If DRS does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting agency or the Commission.

8. In the event DRS seeks to sublease the Premises, DRS shall actively recruit minority sublessees or sublessees with substantial minority representation among their employees.

9. DRS shall include the provisions of this nondiscrimination clause in any sublease of the Premises, so that such provisions will be binding upon each sublessee.

10. The terms used in this nondiscrimination clause shall have the same meaning as in the Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49.

11. DRS' obligations under this clause are limited to the Premises.

## EXHIBIT "J"

### DRS INTEGRITY PROVISIONS

#### 1. Definitions

a. "Confidential" means information that is not public knowledge, or available to the public upon request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with PRPA.

b. "Consent" means written permission by a duly authorized officer or employee of PRPA provided that where the material facts have been disclosed, in writing, by prequalifications, bid, proposal, or contractual terms, PRPA shall be deemed to have consented by virtue of execution of this Agreement.

c. "Financial interest" means:

- (1) ownership of more than a 5% interest in any business; or
- (2) holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

d. "Gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscription, advances, deposits of money, services, employment of contracts of any kind.

e. "DRS" means the individual or entity that has entered into this Agreement with PRPA, including directors, officers, partners, managers, key employees, and owners of more than a 5% interest.

2. DRS shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth of Pennsylvania (the "Commonwealth") or PRPA.

3. DRS shall not disclose to others any confidential information gained by virtue of this Agreement.

4. DRS shall not, in connection with this or any other agreement with PRPA or the Commonwealth, directly or indirectly, offer, confer, or agree to confer, any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of PRPA or the Commonwealth.

5. DRS shall not, in connection with this or any other agreement with PRPA or the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of PRPA or the Commonwealth.



6. Except with the consent of PRPA, neither any sublessee or anyone in privity with said sublessee shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of obligations under this Agreement except as provided therein.

7. Except for agreements in which PRPA and DRS are named parties, DRS shall not have a financial interest in any contractor, subcontractor, or supplier providing services, labor, or material on any port-related project conducted by PRPA unless consent therefor is granted by PRPA.

8. DRS, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify PRPA in writing.

9. DRS, by execution of this Agreement, certifies and represents that he has not violated any of these provisions.

10. DRS shall, upon request of PRPA, reasonably and promptly make available to PRPA, for inspection and copying, all business and financial records of DRS of, concerning, and referring to this Agreement with PRPA, or which are otherwise relevant to the enforcement of these provisions.

11. For violation of any of the above provisions, PRPA may terminate this and any other agreement with DRS, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another DRS to complete performance hereunder, and debar and suspend DRS from doing business with PRPA. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those PRPA and/or the Commonwealth may have under law, statute, regulation or otherwise.

**EXHIBIT "K"**

**ACTIVITY REPORT**

**[DOCUMENT PREVIOUSLY SUPPLIED BY PRPA TO DRS]**



**EXHIBIT "A"**

**THE PREMISES**

**I. Tioga Marine Terminal**

The Tioga Marine Terminal consists of both the Tioga Container Terminal and the Tioga Breakbulk Terminal. The Tioga Container Terminal consists of Tioga IA (the northern portion of Tioga I Terminal). The Tioga Breakbulk Terminal consists of two areas: (1) Tioga IB and (2) Tioga II.

**II. Tioga Container Terminal**

TCT covers approximately 50.221 acres in area and is bounded by Delaware Avenue to the north/northwest, Tioga IB to the south/southwest, and the Delaware River to the southeast. It includes the following major features:

- **Vessel Berths:** Two (2) marginal vessel berths abutting each other and located on the southeastern portion of TCT. The total length of the berths is approximately one thousand four hundred and nineteen (1,419) feet and their depth is approximately thirty-six (36) feet.
- **Crane and Track:** Crane track approximately one thousand three hundred and seventy-five (1,375) to approximately one thousand four hundred and ninety-two (1492) feet in length runs parallel to the vessel berths described above. Two (2) forty-five (45) ton gantry container cranes are positioned over and perpendicular to the crane track.
- **Buildings:**

**Tioga I**

A terminal equipment maintenance and repair shop (a/k/a the M&R Building), located southeast of Delaware Avenue and northeast of the PGW easement.

A gatehouse for incoming and outgoing containers, located southeast of Delaware Avenue and southwest of both the PGW easement and railroad tracks.

**Tioga II**

Building 179 (a/k/a the Butler Building and Shed 179), a gas-heated container freight station with a total area of approximately forty thousand (40,000) square feet. It has an approximately twenty-two (22) foot clearance under the roof trusses, a northwest loading dock with canopied

positions for eight (8) trucks, and a southwest loading dock with canopied positions for twenty (20) trucks.

- **Reefer Outlets:** Eighty (80) refrigerated container receptacles (480 volt, 3 phase) are located southeast of Delaware Avenue and northeast of the M&R Bldg.

### III. Tioga Breakbulk Terminal ("TBT")

TBT covers approximately 46.541 acres in area (Tioga IB contains approximately 33.256 acres and Tioga II contains approximately 13.285 acres.) Tioga IB is bounded by Delaware Avenue to the northwest, Tioga IA to the northeast, and the RoRo Berth and the connecting road to Tioga II to the southwest. Tioga IB includes the following major features:

- **Vessel Berths:** Three (3) marginal vessel berths abutting each other and located on the southeastern portion of Tioga IB. The total length of the berths is approximately one thousand seven hundred and thirty-six (1,736) feet and their depth is approximately thirty-six (36) feet. One slip berth at the south end of Tioga IB runs approximately six hundred and ten (610) feet.
- **Buildings:**

Tioga I Transit Shed (a/k/a Tioga I Shed), running northeast to southwest on the southeastern portion of Tioga I and parallel to the vessel berths. It is a gas-heated storage building with a total area of approximately three hundred thousand (300,000) square feet, of which approximately one hundred fifty thousand (150,000) square feet is refrigerated. It has an approximately twenty (20) foot clearance under the roof trusses and forty-eight (48) canopied truck loading doors with truck seals and levelers.

Tioga III Building (a/k/a Tioga III Shed), located in the area between the southwestern end of the Tioga I Building and the slip berth. It is a gas-heated building containing transit shed space and terminal space with a total area of approximately ninety-seven thousand five hundred (97,500) square feet. It has an approximately twenty-two (22) foot clearance under the roof trusses and thirty-four (34) canopied truck loading doors with truck seals and levelers.

- **Reefer Outlets:** Forty (40) refrigerated container receptacles (four at 240 volt, 3 phase; thirty-six at 480 volt, 3 phase) are located southeast of Delaware Avenue and near the north area of Tioga IB
- **Trailer Parking Spaces, Service and Access Roads:** these are located approximately along the northwest side of Tioga IB.

Tioga II is bounded by Delaware Avenue to the northwest, Tioga IB to the northeast, and Allegheny Avenue to the southwest. Tioga II includes the following major features:

- **Buildings:**



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A carpenter shop (a/k/a Maintenance Shop), located on the northwest side of Tioga II. It is a masonry structure approximately 61' by 160' by 15/25 feet high, with an approximately 21.25' by 30' by 12-foot high extension. It has a total area of approximately ten thousand four hundred and twelve (10,412) square feet, most of which is floor area on grade; approximately nine hundred and sixty (960) square feet are in a mezzanine area.

Tioga II Building (a/k/a Tioga II, Reefer Shed, Temperature Control Shed, transit shed/warehouse), located on the southeast side of Tioga II. It has a total area of approximately ninety thousand (90,000) square feet divided into five (5) rooms independently capable of electric cooling to thirty-two degrees (32°) Fahrenheit. Rooms 1 and 2 each contain approximately twenty-five thousand (25,000) square feet of space; the other three rooms contain thirty-three hundred (3,300), fifty-five hundred (5,500) and thirty-one thousand two hundred (31,200) square feet for an approximate total of forty thousand (40,000) square feet of space. There is a mechanic's shop (a/k/a mechanical room) at the southwest end of the building.

Storage Building, a container freight storage building located adjacent to Berth 2, southeast of Delaware Avenue, and northeast of the Tioga II Building.

- **Reefer Outlets:** Thirty-six (36) refrigerated container receptacles (480 volt, 3 phase) are located southeast of the Carpenter Shop and northwest of the Tioga II Building.
- **Trailer Parking Spaces, Service and Access Roads:** these are located approximately along the north side of Tioga II.

**TIOGA MARITIME TERMINAL MASTER PLAN (Copy on Following Page)**

EXHIBIT "B"

PERMITTED EXCEPTIONS

1. Easements, agreements, restrictions, defects, liens, encumbrances, adverse claims or other matters affecting the Premises whether or not of record;
2. Easements visible upon the ground;
3. Lease between Philadelphia Regional Port Authority, as lessor, and GATX Terminals Corporation, as lessee, dated December 1, 2000 (which Lease has been assigned by GATX to Kinder Morgan Energy Partners, Ltd.);
4. Rights or claims by parties in possession or under the terms of any recorded or unrecorded leases or other agreements;
5. Trackage rights of railroads;
6. Riparian and navigational rights of the United States, the Commonwealth and the public;
7. Rights-of-way for public streets;
8. Agreement between Neatsfoot Oil Refineries Corporation, successor to The Berg Company and Delaware River Terminal and Warehouse Company, dated May 28, 1954 and recorded in the County of Philadelphia in Deed Book MLS 771 page 453;
9. Easement of a 33-foot wide railroad right-of-way as set forth in Deed Book JJC 21 page 149;
10. Reservation of perpetual easements for pipeline as set forth in Deed Book JRS 614 page 495;
11. Easement of right-of-way for drainage purposes dated October 7, 1968 and recorded October 8, 1968 in Deed Book JRS 231 page 386;
12. Easement of a 33-foot wide right-of-way dated October 7, 1968 and recorded October 8, 1968 in Deed Book JRS 231 page 386;
13. Agreement between Delaware River Terminal and Warehouse Co. and the City of Philadelphia dated January 25, 1957 and recorded February 7, 1957 in Deed Book CAB 510 page 410;



## EXECUTION COPY

14. Lease between The North Pennsylvania Railroad Company and The Philadelphia and Reading Company dated May 14, 1879 and recorded in Deed Book LW 39 page 481;
15. Agreement between Delaware River Terminal and Warehouse Co. (now known as Delaware River Terminal Inc.) and the City of Philadelphia dated January 25, 1957 and recorded February 7, 1957 in Deed Book CAB 510 page 397;
16. 60-foot wide right-of-way for sewer construction and maintenance lying within the bed of former Westmoreland Street;
17. Drainage right-of-way within the beds of former Ontario Street and former Tioga Street and former Venango Street and former Castor Avenue created by Ordinance dated August 17, 1972;
18. Right-of-Way for drainage purposes, water main purposes, gas main purposes and public utility purposes created by Ordinance dated December 27, 1971 (east side of Delaware Avenue);
19. Right-of-Way for sewer maintenance and construction within the bed of former Castor Avenue, East of Delaware Avenue created by Ordinance dated August 10, 1948;
20. Lease Agreement between Philadelphia Electric Company and Philadelphia Port Corporation dated April 27, 1976, a Memorandum of which was recorded in the County of Philadelphia in Deed Book DCC 1137 page 85;
21. Reservation as set forth in Deed Book CAD 1002 page 342;
22. Covenants and Agreements as authorized by Ordinance (Bill No. 2487) of The Council of the City of Philadelphia, approved by the Mayor on June 9, 1967 as more specifically set forth in the Agreement of Sale authorized thereby between The Philadelphia Electric Company and the City of Philadelphia dated June 7, 1967 in paragraphs 2 to 11 inclusive;
23. Agreement between John A. Lewis, Executor under the Will of John F. Lewis, deceased, and Bell Telephone Company dated November 26, 1900 and recorded in the County of Philadelphia in Deed Book JV 217 page 169;
24. 30-foot wide right-of-way of the Kensington and Tacony Railroad through the Premises; and
25. Rights of the public to that portion of the Premises between the bulkhead line and the pierhead line as established and approved by the Secretary of War on September 10, 1940.

**EXHIBIT "C"**

**DRS SUBLEASES AND CONTRACTS PERTAINING TO THE PREMISES**

**A. Operational Contracts of DRS**

1. Contract between DRS and Wells Fargo Alarm Services, Inc.
2. Contract between DRS and ICE Tech, Inc.
3. Contract between DRS and A&S Sprinkler Co., Inc.

**B. Subleases of DRS**

1. Sublease Agreement between DRS and CSAV.
2. Sublease Agreement between DRS and Philadelphia Parking Authority dated June 14, 2002.



## GUARANTY BY P&O PORTS NORTH AMERICA, INC.

This Guaranty is made of this 15<sup>th</sup> day of August 2002, by P&O PORTS NORTH AMERICA, INC., having an address at Level 8, Suite 804, 99 Wood Avenue South, Iselin, NJ 08830-2715 ("Guarantor").

A. Delaware River Stevedores, Inc. ("DRS") was the successful proposer under the Philadelphia Regional Port Authority Request for Proposals for the operation of the Tioga Marine Terminal (the "RFP").

B. DRS pursuant to the RFP, has entered into a contract with the Philadelphia Regional Port Authority (the "PRPA") for such services (the "Contract") dated as of the date of this Guaranty, which Contract required the execution and delivery of this Guaranty by Guarantor. Hereinafter DRS shall be referred to as the "Provider".

C. PRPA has requested, and Guarantor has agreed, that Guarantor execute and deliver an unconditional, irrevocable and unlimited guaranty to PRPA of all obligations of Provider to PRPA.

D. The execution and delivery by Guarantor of this Guaranty is a material inducement to PRPA to execute the Contract, and Guarantor expects to derive economic benefit from execution by PRPA and DRS of the Contract.

THEREFORE, in consideration of and as an inducement for the granting, execution and delivery of the Contract, and for other good and valuable consideration, Guarantor, intending to be legally bound hereby, irrevocably and unconditionally agree as follows:

1. Guarantor hereby guarantees to PRPA the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements provided in Articles III and IV of the Contract to be performed and observed by the Provider, its successors and assigns; Guarantor does hereby become surety to PRPA, its successors and assigns, for and with respect to all of the aforesaid obligations of the Provider under Articles III and IV of the Contract. Guarantor hereby covenants and agrees to and with PRPA, its successors and assigns, that if default shall at any time be made by the Provider, its successors and assigns, in the performance of any of the covenants, terms, conditions or agreements contained in Articles III and IV of the Contract, and such default is not cured within any applicable cure period and any required notice has been given to Provider, Guarantor will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements so that PRPA will not suffer any damages, costs or expenses as a result of a default by Provider, its successors and assigns; provided, however, that should PRPA suffer any such damages, costs or expenses, Guarantor will forthwith pay to PRPA all damages, costs and expenses that may arise in consequence of any default by the Provider, its successors and assigns, under Articles III and IV of the Contract (including, but not limited to, all attorneys' fees and court costs incurred by PRPA in any successful enforcement of this Guaranty). Nothing contained in this Guaranty is intended to (i) expand the damages, costs or expenses recoverable under the Contract or (ii)



impair Guarantor's right to assert any defenses available to the Provider pursuant to the Contract, unless otherwise specifically provided herein.

2. This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) Guarantor hereby waives any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal or extension which PRPA may grant, or to which PRPA and the Provider may agree, with respect to the Contract, waives notice of acceptance of this Guaranty, and waives presentment, demand, notice or protest of any kind except notices to Provider as specifically set forth in the Contract.
3. The obligations of Guarantor under this Guaranty are primary, absolute, independent, irrevocable and unconditional. This shall be an agreement of suretyship as well as of guaranty. Guarantor's liability hereunder is direct and may be enforced without PRPA being required to resort to any other rights, remedy or security and this guaranty shall be enforceable against Guarantor, and Guarantor's administrators, successors and assigns, without the necessity for any suit or proceedings on PRPA's part of any kind or nature whatsoever against the Provider, its successor and assigns, and without the necessity of any notice of nonperformance or nonobservance or the continuance of any such default or of PRPA's intention to act in reliance hereon or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives, other than notices to Provider as specifically set forth in the Contract. Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall not be terminated, affected or impaired by reason of the assertion or the failure to assert by PRPA against the Provider, or the Provider's successors and assigns, of any of the rights or remedies reserved to PRPA, pursuant to the provisions of the Contract.
4. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of either (a) the existence of any security given to secure the Provider's obligations under the Contract; (b) the sale, assignment or other transfer of all or any portion of the Contract or any interest of the Provider under the Contract, however, if PRPA consents to such transfer, and the transferee provides a guaranty from a guarantor which meets the requirements of Paragraph 11, Guarantor herein shall be released from further obligations hereunder with respect to the portion of the Contract so transferred; or (c) any defense that may arise by reason of the incapacity, or lack of authority of the Provider or Guarantor or the failure of PRPA, to file or enforce a claim against the estate of the Provider in any bankruptcy or other proceeding.
5. Guarantor represents and warrants that (a) Guarantor has either examined the Contract or has had an opportunity to examine the Contract and has waived the right to examine it; (b) Guarantor has full power, authority and legal right to enter into, execute and deliver this Guaranty, the execution and delivery of this Guaranty has been duly authorized by Guarantor; (c) this Guaranty is a valid and binding legal obligation of Guarantor, and is fully enforceable against Guarantor in accordance with its terms; (d) the execution, delivery and performance by Guarantor of this Guaranty will not violate or constitute a default under any other agreement or instrument



to which Guarantor is a party or is bound; and (c) if Guarantor or Provider has delivered to PRPA financial statements of Guarantor, there has been no material adverse change in the financial condition of Guarantor from the financial condition of Guarantor shown on such financial statements delivered to PRPA.

6. Notwithstanding anything contained in this Guaranty or in the Contract to the contrary, Guarantor shall be in default under this Guaranty upon the making by Guarantor of an assignment for the benefit of creditors, or the appointment of a trustee or receiver for Guarantor, or for any property of Guarantor, or the commencement of any proceeding by or against Guarantor, under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, or if any representation or warranty made by Guarantor in this Guaranty is incorrect in a material respect or fails to state a material fact which is necessary to make the representation or warranty not misleading, or if Guarantor fails to perform any of its obligations under this Guaranty after any applicable grace period and any required notice to Provider has been given, or if Guarantor causes or suffers to occur a material adverse change in its financial condition which causes, or may in the reasonable opinion of PRPA, cause Guarantor to be unable to perform its obligations hereunder.
7. Guarantor hereby authorizes any attorney of any court of record in Pennsylvania, or elsewhere, to appear for Guarantor in any and all actions brought on this Guaranty, and to confess judgment against Guarantor for (a) all damages, costs and expenses that may occur in consequence of any default by Guarantor hereunder, and (b) all damages, costs and expenses that may arise in consequence of any default by Provider, its successors and assigns, under Articles III and IV of the Contract, and (c) all costs of suit and an attorney's commission of five percent (5%), together with interest on any judgment obtained by PRPA at a rate of 125% per annum of the prime rate of First Union National Bank (or its equivalent in the event there shall be no prime rate) or the highest amount permitted by law, whichever is lower, including interest at that rate from and after the date of any sheriff's or judicial sale until actual payment is made to PRPA of the full amount due PRPA, and for so doing this shall be a good and sufficient warrant. Guarantor waives and relinquishes all errors, defects and imperfections in the entry of judgment as aforesaid, or in any proceeding pursuant thereto, and all benefits that may accrue to Guarantor by virtue of any law or rule of court relating to a stay of execution or exempting any property from levy or sale under execution. The authority therein granted to confess judgment shall not be exhausted by any exercise thereof, but shall continue from time to time and at all times until all obligations of the Provider to PRPA have been fully discharged. If a true copy of this Guaranty (and of the truth of the copy an affidavit thereof by PRPA shall be sufficient evidence) shall be filed in any such suit, action or actions, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.
8. All rights and remedies of PRPA under this Guaranty, the Contract or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by



Guarantor which may be deemed to exist in law or equity. No delay or omission by PRPA in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any right and remedies hereunder, and no modification or amendment of this Guaranty shall be deemed made by PRPA or Guarantor unless in writing and duly signed by the party against which enforcement is being sought. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any right or remedy of PRPA, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other rights or remedy. This Guaranty shall apply to the Provider's obligations pursuant to any extension, renewal, amendment, modification and supplement of or to the Contract provided for in the original and supplement of or to the Contract provided for in the original provisions of the Contract or otherwise agreed to in writing by PRPA and the Provider, as well as to the Provider's obligations thereunder in accordance with the original provisions of the Contract.

9. This Guaranty shall be binding upon Guarantor, and Guarantor's administrators, successors and assigns, and shall inure to the benefit of PRPA and its successors and assigns.
10. Guarantor will deliver to PRPA, within one hundred twenty (120) days after the end of each fiscal year of Guarantor, a current statement of financial condition of Guarantor as prepared by an independent certified public accountant.
11. Guarantor will not sell, transfer or otherwise dispose of all or a substantial part of its assets to, or consolidate with, or merge into, any person or entity (except a wholly owned subsidiary of Guarantor) or permit any other person or entity (except a wholly owned subsidiary of Guarantor) to merge into Guarantor, unless:
  - A. Such successor shall expressly assume in writing the due and punctual performance and observance of all of the terms, covenants and conditions of this Guaranty to be performed or observed by Guarantor to the same extent as if such successor had originally executed this Guaranty; and
  - B. Immediately after such consolidation, merger, sale, lease or other disposition Guarantor or such successor, as the case may be, shall not be in default in the performance or observance of any of the terms, covenants or conditions of this Guaranty, and immediately following such consolidation, merger, sale, lease or other disposition, such successor shall have a financial condition which is not materially inferior to the financial condition of Guarantor immediately prior to such consolidation, merger, sale, lease or other disposition; and
  - C. Assumption in writing of this Guaranty which meets the requirements of Paragraphs A and B and which is expressly agreed to in advance in writing by the PRPA shall release Guarantor from further obligations under this Guaranty.

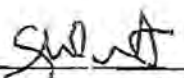


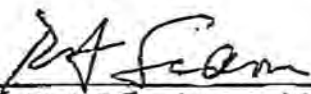
12. In the event Guarantor consists of more than one person, firm or corporation, the obligations and liabilities hereunder of such persons, firms and corporations shall be joint and several, and the word "Guarantor" shall mean all or some or any of them.
13. If any provision of this Guaranty is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Guaranty shall remain in full force and effect and shall be liberally construed in favor of PRPA, in order to effect the provisions of this Guaranty.
14. Guarantor agrees that this Guaranty shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania regardless of where the residence or domicile of Guarantor is now or may hereafter be located.
15. The undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Guarantor, intending to be legally bound hereby, has caused this Guaranty to be executed by its duly authorized officers and has caused its corporate seal to be hereunto affixed, and duly attested, as of the date first above written.

ATTEST:

P&O PORTS NORTH AMERICA, INC.

  
Name: Gary Willmot  
Title: CEO

BY:   
Name: ROBERT SCAVONE  
Title: PRESIDENT

## **GUARANTY BY STEVEDORING SERVICES OF AMERICA, INC.**

This Guaranty is made of this 15<sup>th</sup> day of August 2002, by STEVEDORING SERVICES OF AMERICA, INC. having an address at 1131 SW Klickitat Way, Seattle, WA 98134 ("Guarantor").

A. Delaware River Stevedores, Inc. ("DRS") was the successful proposer under the Philadelphia Regional Port Authority Request for Proposals for the operation of the Tioga Marine Terminal (the "RFP").

B. DRS pursuant to the RFP, has entered into a contract with the Philadelphia Regional Port Authority (the "PRPA") for such services (the "Contract") dated as of the date of this Guaranty, which Contract required the execution and delivery of this Guaranty by Guarantor. Hereinafter DRS shall be referred to as the "Provider".

C. PRPA has requested, and Guarantor has agreed, that Guarantor execute and deliver an unconditional, irrevocable and unlimited guaranty to PRPA of all obligations of Provider to PRPA.

D. The execution and delivery by Guarantor of this Guaranty is a material inducement to PRPA to execute the Contract, and Guarantor expects to derive economic benefit from execution by PRPA and DRS of the Contract.

THEREFORE, in consideration of and as an inducement for the granting, execution and delivery of the Contract, and for other good and valuable consideration, Guarantor, intending to be legally bound hereby, irrevocably and unconditionally agree as follows:

1. Guarantor hereby guarantees to PRPA the full, faithful and prompt performance and observance of all the covenants, terms, conditions and agreements provided in Articles III and IV of the Contract to be performed and observed by the Provider, its successors and assigns; Guarantor does hereby become surety to PRPA, its successors and assigns, for and with respect to all of the aforesaid obligations of the Provider under Articles III and IV of the Contract. Guarantor hereby covenants and agrees to and with PRPA, its successors and assigns, that if default shall at any time be made by the Provider, its successors and assigns, in the performance of any of the covenants, terms, conditions or agreements contained in Articles III and IV of the Contract, and such default is not cured within any applicable cure period and any required notice has been given to Provider, Guarantor will forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements so that PRPA will not suffer any damages, costs or expenses as a result of a default by Provider, its successors and assigns; provided, however, that should PRPA suffer any such damages, costs or expenses, Guarantor will forthwith pay to PRPA all damages, costs and expenses that may arise in consequence of any default by the Provider, its successors and assigns, under Articles III and IV of the Contract (including, but not limited to, all attorneys' fees and court costs incurred by PRPA in any successful enforcement of this Guaranty). Nothing contained in this Guaranty is intended to (i) expand the damages, costs or expenses recoverable under the Contract or (ii) impair Guarantor's right to assert any defenses available to the Provider pursuant to the Contract, unless otherwise specifically provided herein.



2. This Guaranty shall be a continuing Guaranty, and (whether or not Guarantor shall have notice or knowledge of any of the following) Guarantor hereby waives any rights Guarantor may have by reason of any forbearance, modification, waiver, renewal or extension which PRPA may grant, or to which PRPA and the Provider may agree, with respect to the Contract, waives notice of acceptance of this Guaranty, and waives presentment, demand, notice or protest of any kind except notices to Provider as specifically set forth in the Contract.
3. The obligations of Guarantor under this Guaranty are primary, absolute, independent, irrevocable and unconditional. This shall be an agreement of suretyship as well as of guaranty. Guarantor's liability hereunder is direct and may be enforced without PRPA being required to resort to any other rights, remedy or security and this guaranty shall be enforceable against Guarantor, and Guarantor's administrators, successors and assigns, without the necessity for any suit or proceedings on PRPA's part of any kind or nature whatsoever against the Provider, its successor and assigns, and without the necessity of any notice of nonperformance or nonobservance or the continuance of any such default or of PRPA's intention to act in reliance hereon or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives, other than notices to Provider as specifically set forth in the Contract. Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall not be terminated, affected or impaired by reason of the assertion or the failure to assert by PRPA against the Provider, or the Provider's successors and assigns, of any of the rights or remedies reserved to PRPA, pursuant to the provisions of the Contract.
4. The obligations of Guarantor under this Guaranty shall be unconditional and irrevocable, irrespective of either (a) the existence of any security given to secure the Provider's obligations under the Contract; (b) the sale, assignment or other transfer of all or any portion of the Contract or any interest of the Provider under the Contract, however, if PRPA consents to such transfer, and the transferee provides a guaranty from a guarantor which meets the requirements of Paragraph 11, Guarantor herein shall be released from further obligations hereunder with respect to the portion of the Contract so transferred; or (c) any defense that may arise by reason of the incapacity, or lack of authority of the Provider or Guarantor or the failure of PRPA, to file or enforce a claim against the estate of the Provider in any bankruptcy or other proceeding.
5. Guarantor represents and warrants that (a) Guarantor has either examined the Contract or has had an opportunity to examine the Contract and has waived the right to examine it; (b) Guarantor has full power, authority and legal right to enter into, execute and deliver this Guaranty, the execution and delivery of this Guaranty has been duly authorized by Guarantor; (c) this Guaranty is a valid and binding legal obligation of Guarantor, and is fully enforceable against Guarantor in accordance with its terms; (d) the execution, delivery and performance by Guarantor of this Guaranty will not violate or constitute a default under any other agreement or instrument to which Guarantor is a party or is bound; and (e) if Guarantor or Provider has delivered to PRPA financial statements of Guarantor, there has been



no material adverse change in the financial condition of Guarantor from the financial condition of Guarantor shown on such financial statements delivered to PRPA.

6. Notwithstanding anything contained in this Guaranty or in the Contract to the contrary, Guarantor shall be in default under this Guaranty upon the making by Guarantor of an assignment for the benefit of creditors, or the appointment of a trustee or receiver for Guarantor, or for any property of Guarantor, or the commencement of any proceeding by or against Guarantor, under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, or if any representation or warranty made by Guarantor in this Guaranty is incorrect in a material respect or fails to state a material fact which is necessary to make the representation or warranty not misleading, or if Guarantor fails to perform any of its obligations under this Guaranty after any applicable grace period and any required notice to Provider has been given, or if Guarantor causes or suffers to occur a material adverse change in its financial condition which causes, or may in the reasonable opinion of PRPA, cause Guarantor to be unable to perform its obligations hereunder.
7. Guarantor hereby authorizes any attorney of any court of record in Pennsylvania, or elsewhere, to appear for Guarantor in any and all actions brought on this Guaranty, and to confess judgment against Guarantor for (a) all damages, costs and expenses that may occur in consequence of any default by Guarantor hereunder, and (b) all damages, costs and expenses that may arise in consequence of any default by Provider, its successors and assigns, under Articles III and IV of the Contract, and (c) all costs of suit and an attorney's commission of five percent (5%), together with interest on any judgment obtained by PRPA at a rate of 125% per annum of the prime rate of First Union National Bank (or its equivalent in the event there shall be no prime rate) or the highest amount permitted by law, whichever is lower, including interest at that rate from and after the date of any sheriff's or judicial sale until actual payment is made to PRPA of the full amount due PRPA, and for so doing this shall be a good and sufficient warrant. Guarantor waives and relinquishes all errors, defects and imperfections in the entry of judgment as aforesaid, or in any proceeding pursuant thereto, and all benefits that may accrue to Guarantor by virtue of any law or rule of court relating to a stay of execution or exempting any property from levy or sale under execution. The authority therein granted to confess judgment shall not be exhausted by any exercise thereof, but shall continue from time to time and at all times until all obligations of the Provider to PRPA have been fully discharged. If a true copy of this Guaranty (and of the truth of the copy an affidavit thereof by PRPA shall be sufficient evidence) shall be filed in any such suit, action or actions, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.
8. All rights and remedies of PRPA under this Guaranty, the Contract or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. The enumeration in this Guaranty of any waivers or consents by Guarantor shall not be deemed exclusive of any additional waivers or consents by Guarantor which may be deemed to exist in law or equity. No delay or omission by PRPA in exercising any such right or remedy shall operate as



a waiver thereof. No waiver of any right and remedies hereunder, and no modification or amendment of this Guaranty shall be deemed made by PRPA or Guarantor unless in writing and duly signed by the party against which enforcement is being sought. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any right or remedy of PRPA, and no single or partial exercise of any right or remedy under this Guaranty shall preclude any other or further exercise thereof or any other rights or remedy. This Guaranty shall apply to the Provider's obligations pursuant to any extension, renewal, amendment, modification and supplement of or to the Contract provided for in the original and supplement of or to the Contract provided for in the original provisions of the Contract or otherwise agreed to in writing by PRPA and the Provider, as well as to the Provider's obligations thereunder in accordance with the original provisions of the Contract.

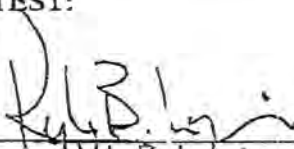
9. This Guaranty shall be binding upon Guarantor, and Guarantor's administrators, successors and assigns, and shall inure to the benefit of PRPA and its successors and assigns.
10. Guarantor will deliver to PRPA, within one hundred twenty (120) days after the end of each fiscal year of Guarantor, a current statement of financial condition of Guarantor as prepared by an independent certified public accountant.
11. Guarantor will not sell, transfer or otherwise dispose of all or a substantial part of its assets to, or consolidate with, or merge into, any person or entity (except a wholly owned subsidiary of Guarantor) or permit any other person or entity (except a wholly owned subsidiary of Guarantor) to merge into Guarantor, unless:
  - A. Such successor shall expressly assume in writing the due and punctual performance and observance of all of the terms, covenants and conditions of this Guaranty to be performed or observed by Guarantor to the same extent as if such successor had originally executed this Guaranty; and
  - B. Immediately after such consolidation, merger, sale, lease or other disposition Guarantor or such successor, as the case may be, shall not be in default in the performance or observance of any of the terms, covenants or conditions of this Guaranty, and immediately following such consolidation, merger, sale, lease or other disposition, such successor shall have a financial condition which is not materially inferior to the financial condition of Guarantor immediately prior to such consolidation, merger, sale, lease or other disposition; and
  - C. Assumption in writing of this Guaranty which meets the requirements of Paragraphs A and B and which is expressly agreed to in advance in writing by the PRPA shall release Guarantor from further obligations under this Guaranty.


12. In the event Guarantor consists of more than one person, firm or corporation, the obligations and liabilities hereunder of such persons, firms and corporations shall be joint and several, and the word "Guarantor" shall mean all or some or any of them.
13. If any provision of this Guaranty is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Guaranty shall remain in full force and effect and shall be liberally construed in favor of PRPA, in order to effect the provisions of this Guaranty.
14. Guarantor agrees that this Guaranty shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania regardless of where the residence or domicile of Guarantor is now or may hereafter be located.
15. The undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Guarantor, intending to be legally bound hereby, has caused this Guaranty to be executed by its duly authorized officers and has caused its corporate seal to be hereunto affixed, and duly attested, as of the date first above written.

ATTEST:

STEVEDORING SERVICES OF AMERICA, INC.

  
Name: Kyle B. L. Lewis  
Title: VP - General Counsel

BY:   
Name: SR. U.P.  
Title: SR. U.P.



**EXHIBIT "E"**

**INVENTORY OF CRANE PARTS**

**[DOCUMENT PREVIOUSLY SUPPLIED BY PRPA TO DRS]**

## CRANE PARTS INVENTORY

### **I. ELECTRICAL**

#### **A. Reliance Circuit Boards**

4 ea.	Reliance Bridge Board	51421-16
1 ea.	Reliance Cardpack	49001-2
6 ea.	Reliance Cardpack	49001-5
2 ea.	Reliance Cardpack	49001-12
4 ea.	Reliance Cardpack	49005-5 (2 for repair)
4 ea.	Reliance Cardpack	49008-4
2 ea.	Reliance Cardpack	49009-1
3 ea.	Reliance Cardpack	49009-13
5 ea.	Reliance Cardpack	49011-6A
12 ea.	Reliance Cardpack	49012-A
6 ea.	Reliance Cardpack	49013-4
1 ea.	Reliance Cardpack	49017-16A
2 ea.	Reliance Cardpack	51369-2
1 ea.	Reliance Cardpack	51490
1 ea.	Reliance Cardpack	51721
2 ea.	Reliance Cardpack	51722
2 ea.	Reliance Cardpack	51811-1
1 ea.	Reliance Cardpack	51829-2
6 ea.	Reliance Cardpack	51831-1 (1 for repair)
9 ea.	Reliance Cardpacks	51839-4
2 ea.	Reliance Cardpack	51845
2 ea.	Reliance Cardpack	51845-0
1 ea.	Reliance Cardpack	51862
9 ea.	Reliance Cardpack	51902-5A (1 for repair)
5 ea.	Reliance Cardpack	51904-B
7 ea.	Reliance Cardpack	52015
1 ea.	Reliance Cardpack	69739-1X
1 ea.	Reliance Cardpack	76627-B
1 ea.	Reliance Cardpack	78014-78R
2 ea.	Reliance Cardpack	82746
2 ea.	Reliance Cardpack	85014-78R
5 ea.	SCR Bridge Thyrister Assembly	78177-13W (1 for repair)

#### **B. Contactors**

4 ea.	Contact	78461-W
25 ea.	Contact Kits	76624-R
2 ea.	Contact Kits	76624-W
2 ea.	Reliance Contactor	64418-1RS
3 ea.	Reliance Contactor Kit	K56
4 ea.	Reliance Contactor Kit	K74
5 ea.	Reliance Contactor Kit	K73
12 boxes	Reliance Contactor Kit	K200



# Crane Parts Inventory

g. 2

## Contactors - cont'd

1 ea.	Reliance Contactor Kit	K352
1 ea.	Reliance Contactor Kit	K508
4 boxes	Reliance Contactor Kit	K509
2 ea.	Reliance Contactor Kit	K600
5 ea.	Reliance Contactor Kit	K601
5 ea.	Reliance Contactor Kit	K602
2 ea.	Reliance Contactor Kit	K603
1 ea.	Reliance Contactor Kit	K604

## Switches

19 ea.	Reliance Switch	76624-W
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## Relays

1 ea.	Amperite Relay	26N05
1 ea.	Arrow Heart Relay	MR-10-U
1 ea.	Ice Cube Relay	30E-1548
3 ea.	P&B Ice Cube Relay	
5 ea.	P&B Ice Cube Relay	800434-Z
1 ea.	P&B Relay	CB-1021B-78
2 ea.	Reliance Relay	60043410S
6 ea.	Reliance Relay	76620-WE
4 ea.	Reliance Relay	76620-1WE
2 ea.	Reliance Relay	78437W
4 ea.	Reliance Relay	78438-R
1 ea.	Reliance Relay	78439-1R
3 ea.	Reliance Relay	F-216308
3 ea.	Siemens Relay	R10-E1L4-115V
1 ea.	Square D Main Buss Relay	76566-2R
1 ea.	Westinghouse Relay-L11D	CL-46847

## **C.** Spreader Cord

2 ea.	Casting for Receptacles
1 length	Spreader Control Cord
6 ea.	Female Receptacles
1 ea.	Male Plug

## **D.** Resistors

4 ea.	Feedback Resistor	.056
2 ea.	Reliance Resistor	48267-D
1 ea.	Reliance Resistor	63481-6A
1 ea.	Reliance Resistor	63481-6B
2 ea.	Reliance Resistor	63481-17C
3 ea.	Reliance Resistor	63481-17H
2 ea.	Reliance Resistor	63481-G

**E. Miscellaneous Electrical Parts**

2 ea.	Aircraft Warning Globes	
2 ea.	Coil	TB135-1
1 ea.	GE Circuit Breaker	4304466
4 ea.	G.O. Proximity Switch	11-32210-00
11 ea.	Hubbel Resistors	30855-037
10 ea.	P&B Terminal Blocks	
1 ea.	P&B Timer	CB-1021B-78
4 ea.	Raywall 15watt Heater (Ops. Cab)	
1 box	Reliance Capacitor	63181-XDA
2 ea.	Reliance Capacitor	66051-9A
1 ea.	Reliance Capacitor	66056-1AG
1 ea.	Reliance Capacitor	66056-3H
2 ea.	Reliance Coil	272-L2
1 ea.	Reliance Coil	281-L2
1 ea.	Reliance Coil	40153L-B
1 ea.	Reliance Coil	401555-A
5 ea.	Reliance Coil	401556-B
5 ea.	Reliance Coil	401557-A
1 ea.	Reliance Coil	401565-H
1 ea.	Reliance Coil	401565-L
1 ea.	Reliance Coil	401565-N
2 ea.	Reliance Coil	401565-P
3 ea.	Reliance Coil	600434-108
1 ea.	Reliance Coil	600802-5RC
1 ea.	Reliance Coil	600802-6WD
5 ea.	Reliance Coil	76623-R
5 ea.	Reliance Coil	76627-BD
6 ea.	Reliance Coil	76627-D
2 ea.	Reliance Coil	76628-8X
1 ea.	Reliance Coil	78463-AC
1 ea.	Reliance Coil	78463-AW
9 ea.	Reliance Diode	405919-43AW
1 box	Reliance Diodes	405919-53AR
1 ea.	Reliance Microswitch	B2-R867809
1 ea.	Reliance Rectifier Stack	85014-21R
2 ea.	Reliance SCR	410403-5AB
1 ea.	Reliance SCR	405919-43AW
1 ea.	Reliance SCR	410403-5AW
9 ea.	Reliance SCR	7949
2 ea.	Reliance Suppressor	600686-25RR
2 ea.	Reliance Suppressor	600686-30-A
1 ea.	Reliance Suppressor	600590-6RX
1 ea.	Reliance Timer/Base	78459-1R



## Crane Parts Inventory

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### Miscellaneous Electrical Parts - cont'd

1 ea.	Reliance Transformer	TR8600
1 ea.	Reliance Transformer	TR9600
1 ea.	Reliance Transformer	TR9712
1 ea.	Reliance Transformer	TR11610
1 ea.	Robert Shaw Electrical Thermostat	5300-201
350 ft.	Shore Power Extension Cable	
2 ea.	Terminal Block	600434-8R
2 ea.	Undel Terminal Blocks	600434-GS
1 ea.	Westinghouse Suppressor	600590-15RX

## II. ENGINES

1 ea.	Cummins Engine #1710 (used)	
1 ea.	Cat. Engine #D348 (rebuilt)	
1 ea.	Cat. Gen/Engine Set #3306 (rebuilt)	

### A. Engine Parts

1 ea.	Cat Engine Radiator	
1 ea.	Cat Remanufactured Starter	OR2509
1 ea.	Cat Body	1N5498
1 ea.	Cat Oil Housing Gasket	2N3584
1 ea.	Connector	2N-1906
1 ea.	Cummins Water Pump for 1710 Engine	
1 ea.	Delco Starter	
1 ea.	Murphy Magnetic Switch	117
2 ea.	Oil Tube	7N-9691

### B. Engine Coupling

1 ea.	Dodge Power Flex Coupling	PH213
1 ea.	Flex Coupling	D348

## III. MOTORS/GENERATORS

### A. Motors & Generators (Used)

1 ea.	AC Generator	
1 ea.	AC Generator K-3 & Motor	
1 ea.	Boom Hoist Trolley Generator (complete)	
1 ea.	DC Generator	
1 ea.	DC Generator K-3 & Motor	
2 ea.	Hoist Motors	
2 ea.	Hoist Motors K-3	
2 ea.	Hoist Reducers	
2 ea.	Trolley & Hoist Generator	

## e Parts Inventory

### B. Motor Parts

1 ea.	Hoist Motor Armature	1UA-843077
1 ea.	Hoist/Gantry Generator Armature	1UP-840143
1 ea.	Boom Motor Armature	3U-840143
1 ea.	Boom/Trolley Generator Armature	2UP-840143
1 ea.	Trolley Motor Arm. (Frame 366AT)	ILA-843077
1 ea.	Trolley Motor Arm. (Frame L 366AT)	2L-840143

### C. Brush Sets

6 ea.	Brushes	3141-PF
4 boxes	Brushes	3141-PW
4 boxes	Brushes	3141-SN
6 boxes	Brushes	3141-TF
3 boxes	Brushes	3141-TL
4 boxes	Brush Holders	75540-S
2 boxes	Reliance Brush Holder	75540-S
2 boxes	Brushes	75546-R
17 boxes	Brushes	404844-AT
4 boxes	Brushes	404844-BS
1 box	Brushes	413330-13D

## IV. SPREADER PARTS

2 ea.	Actuator	2390/B13086
12 ea.	Asst. Hydraulic Hoses	
5 ea.	Coils for Directional Valve	
4 ea.	Coils for Spreader Adjust Directional Valves	
10 ea.	Conical Beveled Twistlock Washer	
8 ea.	Feeler Pins w/Bushings & Washers	
5 ea.	Flippers (for repair)	
1 ea.	Flipper (new)	
2 ea.	Flipper Actuator Shaft	
1 ea.	Hydraulic Pump	
2 ea.	ISO/s Land Guideblock	C8100
Asst.	Limit Switch & Arms	
2 ea.	Lovejoy Hydraulic Pump Coupling	05245
4 ea.	Parker Directional Valve & Solenoid	D3W1D1Y-14
2 ea.	Spreader Adjust Directional Valves	
4 ea.	Spreader Indicator Globes (green)	
6 ea.	Spreader Indicator Globes (clear)	
8 ea.	Spreader Indicator Globes (red)	
5 ea.	Spreader Indicator Globes (amber)	
2 ea.	Twistlock w/Nut, Key	D8097/2570
3 ea.	Twistlock Actuator	



**Spreader Parts - cont'd**

3 ea.	Twistlock Assemblies
8 ea.	Twistlock Jack/Cylinder
6 ea.	Twistlock Limit Switch Frames
6 ea.	Twistlock Lineball (Tie-rod End)

**V. FESTOON PARTS**

8 ea.	Festoon Main Roller Assembly - 100 mm dia.	R7-237
2 ea.	Festoon Shock Cord Assembly - w/SS Fastener	A310-09-P020
2 ea.	Festoon Shock Cord Assembly - w/SSFastener	A310-09-P021
8 ea.	Festoon Side Shield Assembly	S16-539
4 ea.	Festoon Steel Anti-Lift Roller	R7-247
3 ea.	Festoon Tow Cable Assembly w/SS Fastener	A310-09-P019
1 ea.	Festoon Tow Clamp w/SS Fastener	A360-06-P002
6 ea.	Festoon Tow Ropes	
2 ea.	Festoon Trolley Set for S6X12.5 w/ss	A360-05-P009
2 ea.	Festoon Vulkollan Guide Roller - 63 mm	R7-240

**VI. ELEVATOR PARTS**

5 ea.	12 Amp Fuse	519045-11
1 ea.	Adj. Switch Arm, 1/2" Roller	513137-1
4 ea.	2" Cam Follower	535827-1
2 ea.	Cable Assembly	8602438-1
2 ea.	Contact Block 1NO	513231-1
2 ea.	Contact Block 1NO Mini Block	518225-1
4 ea.	2 1/4" Crowned Cam Follower	535841-1
1 ea.	2 1/4" Crowned Cam Follower, HV	535840-1
2 ea.	3" Crowned Roller	535839-1
5 ea.	TNM 7 Amp Fuse	519045-2
5 ea.	FNQ3.2 Fuse	519044-17
1 ea.	10 hp Gearmotor, w/Brake	50813-1
2 ea.	Micro Limit Switch DPDT (ON)	513035-1
2 ea.	Mini Brake Friction Discs	505005-17
5 ea.	Replacement Bulb 12V	513393-1
2 ea.	Roller Switch	513052-1
1 ea.	Seal Clutch End Electra Gear	535083-1
2 ea.	Sheave	534112-1
1 ea.	Stationary Disc	505005-18
2 ea.	3" Switch Arm	513101-1
1 ea.	Traveling Cable Guide Assembly	8700125-1

## Crane Parts Inventory

### VII. MECHANICAL

#### A. Bumpers

1 ea. Gantry Bumpers  
2 ea. Boom Bumpers

#### B. Wire Rope

1 set Hoist Ropes (4 ropes)

#### C. Miscellaneous

2 ea. Cable Reel Drive Chain  
12 ea. Clutch Slip Ring BH12501001  
24 ea. Helwig Brushes 68-002312-022-6-02  
2 sets Generator Belts (25 per set - one per crane)  
#3350 & #3550  
1 ea. Hoist/Clutch Coupling Set  
2 ea. Main Hoist Reducers & Shafts (used)  
Asst. O Rings/Gaskets  
1 ea. Trolley Drive Shaft  
4 ea. Trolley Gearboxes w/wheels (rebuilt-complete)  
1 ea. Window Mount Gasket  
5 ea. Yoke for Main Hoist

### VIII. BRAKES

#### A. Thrustors

1 ea. Thrustor N76  
1 ea. Thrustor T75  
1 ea. Thrustor M74  
3 ea. Thrustors

#### B. Shoes

6 sets Hoist Brake Shoes  
1 set Boom Hoist Shoes  
2 sets Trolley Brake Shoes

#### C. Miscellaneous

4 ea. Hoist Brake Drum Coupling  
1 ea. Rail Brake Pump Assembly (needs modification)



### TMT CRANE SHOP - TOOL INVENTORY

Quantity	Description	Model#/Serial #	Apprx. Cost
	Acetylene/Oxygen Set w/gages & hose		\$500.00
	Air Compressor (Binks) 480 volt, 3-phase, 150 psi, 5 hp	385213	\$2875.00 (Dayton)
	Air Compressor (Ingersoll-Rand) 480 volt, 3-phase, 150 psi, 5 hp	234-DS/64466	\$2875.00 (Dayton)
	Air Compressor (Power Ex) 480 volt, 3-phase, 150 psi, 5 hp	1111871036397	\$2875.00 (Dayton)
	Battery Charger (Marquette)	32-134	\$298.00 (Dayton)
	Bench Grinder - 6" (Dayton)	4Z612C	\$100.00
	Box, 10 drawer lockable Cart (Waterloo)		\$1599.00
	Brake Line Wrench (Promate)	(ACA)	
	C-Clamp, 10"		\$54.25
	C-Clamp, 8"		\$32.45
	C-Clamp, 3"	5C817	\$18.00
	Cable Pully - 25 ft., 1 1/2 ton		\$390.00
	Chain Breaker	CBT-60 (Bartlett)	\$20.00
	Creeper - H/D	95602 (ACA)	\$62.00
	Crows Foot Tool		\$16.85
	Cylinder Hone	(ACA)	
	Digital Caliper (Mitutoyo)	A.J. Hagerty	\$110.00
	Digital Multimeter (Simpson)	460/07467/260	\$230.00
	Drill Kit (Unibit Step)	4A954	\$48.33

1 ea.	Face Shield		\$10.21
	Feeler Gauge (Proto)	5C589	\$27.85
1 ea.	Fluke Multimeter & Case	1A783	\$109.00
1 ea.	Forklift (Allis-Chalmers), 4400# capacity	AMR-526014	\$3000.00
2 ea.	Garden Hose, 100 ft.		\$70.87 ea.
6 ea.	Hand Pumps (Teel)	2PO-93B	\$130.00 ea.
Asst.	Hardware		\$3000.00
1 ea.	Heat Gun (Master Appliance)		\$100.00
1 ea.	Hydraulic Jack, 30-ton (OTC)		\$349.00
1 ea.	Hydraulic Puller Set, 35-ton (OTC)		\$1693.00
1 ea.	Ideal Electrical Fish	(United Lite)	
1 ea.	Impact Socket, 36 mm		\$12.77
1 ea.	Longtip (Alspray)		\$58.00
1 set	Manual Pullers (OTC)		\$801.00
1 ea.	Megger Insulation Tester (B&K)	3GD34	\$129.00
1 ea.	Oil Filter Wrench		\$13.00
1 ea.	Oil Hand Pump		\$67.29
1 ea.	Parts Washer (AFF Hydro Flow)	31200	\$200
1 ea.	Photo-tach (Pioneer)	36/14509	\$309.00
1 ea.	Pneumatic Grease Gun, Air Driven (Lincoln) 260-8		\$59.50
1 ea.	Pressure Washer		
1 ea.	Ratchet Crimp	T1715 (H.Horn)	\$85.00
	Ratchet Puller, 2-ton		\$146.89
1 set	Shims, assorted		\$252.83



1 ea.	Solder Iron, 25 watt		\$8.52
	Steel Service Cart		\$55.90
1 ea.	Step Ladder, 4ft.		
1 ea.	Step-Van (Chevy) 1966	P2526T154137	\$2800.00
1 ea.	Tap & Dye Set: American 1/4-1/2 SAE & Standard		\$89.00
	Metric M7-M16		\$97.00
1 ea.	Ty Wrap Gun (Thoams & Betts)	5A308	\$15
1 ea.	Trolley, 2-ton		\$151.09
2 ea.	Two-Way Radios (Motorola Maxtrac)		
		#428FPF4898B (K-1)	\$495.00 ea.
		#428FPE8220B (K-4)	
5 ea.	Walkie-Talkies (Motorola HT600)	#649ANY2537	\$800.00 ea.
		#649ANY2539	
		#649ANY2540	
		#649ANY2542	
		#649ANY2543	
1 ea.	Welding Machine (Miller Trailblazer)	250G/JJ475212	\$278.00
1 ea.	Welding Helmet		\$35.00
1 ea.	Wet/dry Vac-16 gl. (Tornado)	56398CO4904	\$1457.00

ccf  
02/11/98



Philadelphia Regional  
Port Authority

**PHILADELPHIA REGIONAL PORT AUTHORITY**  
**CONTAINER GANTRY CRANES MANUAL**

**PREPARED BY: OPERATIONS DEPARTMENT-**  
**PHILADELPHIA REGIONAL PORT AUTHORITY**

**EFFECTIVE NOVEMBER 1, 1992**





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## **SECTION ONE**

# **GENERAL CRANE MAINTENANCE AND REPAIR POLICY**

## SECTION ONE:

### GENERAL CRANE MAINTENANCE AND REPAIR



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Port Authority

It is the policy of the Philadelphia Regional Port Authority ("PRPA") that only structurally and integrally sound equipment, properly inspected, will be utilized.

#### 1. PURPOSE AND SCOPE

- 1.1 The purpose of this procedure and all procedures in this manual is to establish minimum norms and standards for maintenance and repair of gantry container cranes.
- 1.2 This policy and all procedures contained in this crane maintenance and repair manual shall apply to all cranes under the control and/or maintenance of PRPA.

#### 2. GENERAL

- 2.1 The standard set by PRPA is that all equipment shall be maintained according to the procedures and schedules as delineated in the original equipment manufacturer's (OEM) maintenance manuals.
- 2.2 Requirements to meet regulatory inspection criteria, as specified in OSHA Regulations CFR Part VI Chapter XXII 1917 shall be supplementary to this standard.

#### 3. STANDARDS

No modifications, additions, deletions or changes of any kind shall be made to any crane or system within a crane, nor shall any procedure be changed without the prior approval of PRPA's Operations Department.

- 3.1 Any proposed change shall be submitted in full detail with reasons and anticipated cost effectiveness for consideration and evaluation by PRPA.
- 3.2 Approved changes will be issued as modifications and will then become part of this manual.



- Section One:  
General Crane Maintenance  
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- 3.3 Each manufacturer of the diverse equipment in use on the container gantry crane within PRPA facilities has provided operation and maintenance manuals for that equipment and its components and systems. These manuals are hereby each made a part of this standard. Each terminal employing container gantry cranes must maintain a permanent file containing these manuals and any required or ancillary drawings.
- 3.4 Only those products or materials that have been approved or recommended by the various manufacturers shall be used. Substitute products must be approved by PRPA's Operations Department prior to their use.
- 3.5 Maintenance and repair of cranes shall be performed under the direction of the crane maintenance supervisor, who shall be qualified in all aspects to coordinate and direct the maintenance and repair of the cranes. All work shall be performed in a professional and workmanlike manner and only by those persons qualified and approved by PRPA to perform the function.
- 3.6 Any work, repairs or modifications performed shall comply with all existing industry, national and local codes.

4. CRANE DOWN-TIME

DEFINITION: CRANE-DOWN TIME SHALL BE CONSIDERED TO BE THAT PERIOD OF TIME DURING WHICH A CARGO OPERATION IS HALTED OR DELAYED FROM A SCHEDULED START DUE TO A MALFUNCTION OF THE CRANE. A MALFUNCTION SHALL BE CONSIDERED AS ANY FAILURE OF THE MACHINE THAT REASONABLY FALLS UNDER THE SCOPE AND CONTROL OF THE CRANE MAINTENANCE DEPARTMENT. DETENTION DUE TO THE LATE ARRIVAL OF THE VESSEL OR SHORT GANGS IS NOT CONSIDERED DOWN-TIME.

- 4.1 Work stoppages that occur due to operator abuse, shipboard problems, damaged containers, etc. shall be noted on the Container Crane Operation Log (example on Page 23) but not included in the down time hour total.
- 4.2 For each period of down-time, a Down-Time Report (example on Page 21) shall be completed. These shall be submitted to the appropriate PRPA Operations Field Representative with the Container Crane Operation Log on a monthly basis.

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## 5. WIND AND STORM

There have been a number of cases in which cranes in other ports have suffered severe accidents due to storm. Most of these could have been avoided, if only sufficient attention had been paid to weather forecasts and all accident prevention measures were taken.

Wind Procedures are to comply with OSHA requirements in Section 1917.45, effective October 3, 1983.

- 5.1 Each terminal shall establish a wind warning speed and wind shut-down speed. These speeds shall comply with, but not to exceed, the recommended manufacturer's guidelines.
- 5.2 Each terminal shall publish in writing those procedures that are to be taken in the event of wind conditions above normal guidelines. A copy of said procedures shall be conspicuously posted in the operator's cab of each crane. A copy of these procedures shall be forwarded to PRPA's Operations Department for approval.
- 5.3 Above procedures shall include, but not be limited to, the following:
  - 5.3.1 When wind reaches warning speed:
    - a. Preparations shall be made for crane shut-down.
  - 5.3.2 When wind reaches shut-down speed:
    - a. Install anchoring pins and tie downs.
    - b. Any portion of the crane spanning a vessel shall be moved clear if safe to do so.
    - c. Hoist spreader with no load to upper limit.
    - d. Provide emergency back-up procedures and tie-downs in the event the crane cannot be returned to tie-down area.



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- 5.4 Each crane shall be equipped with a wind monitoring system that automatically provides a visual and/or audio alarm to alert the operator that wind warning and shut-down velocities are being approached.
- 5.5 Each crane maintenance department shall have at least one weather alert radio, constantly monitored, to receive emergency weather bulletins.

## 6. WIRE ROPE

- 6.1 All wire rope installed must be accompanied by manufacturer's certificates. These certificates shall include wire rope class, size, reel number and break point of the tested sample. This breaking point must equal or exceed that which is required by the crane manufacturer.
- 6.2 Rope certificates will be kept on file by the local PRPA Operations Field Representative. These should be clearly marked to indicate date installed and date removed from service. On those cranes equipped with hour-run meters, these times shall also be noted on the certificates.
- 6.3 Wire rope shall be inspected monthly. A local log shall be kept to indicate condition, rope diameter, number of broken strands or any significant changes that may effect the usefulness of the rope.

## 7. CRANE OPERATORS

- 7.1 Only those persons duly authorized shall be permitted to operate the crane.
- 7.2 Requirements
  - 7.2.1 Only persons meeting the following requirements are allowed to operate the crane:
    - a. Operators shall be free of any physical or mental deficiency that would prevent safe operation of the crane.



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## **SECTION TWO**

### **CRANE INSPECTION REQUIREMENTS**



## SECTION TWO:

### CRANE INSPECTION REQUIREMENTS



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#### 1. PURPOSE AND SCOPE

- 1.1 The purpose of this procedure is to detail the various inspections that compose a sound inspection program and what must be accomplished in each.
- 1.2 This procedure applies to all PRPA waterfront facilities.

#### 2. GENERAL

- 2.1 Inspections generally fall into three categories, namely: general condition inspections, repair or operation verification inspections, and special inspections--mainly dictated by regulatory requirements.
- 2.2 The inspections, detailed in Part Three, are to be integrated into each terminal as appropriate, in order to control equipment condition and to limit PRPA's exposure to personal, cargo and equipment claims action.
- 2.3 This procedure is to be supplemented by PRPA's Operations Field Representative specifically outlining which inspections are to be performed and when.

#### 3. GENERAL CONDITION INSPECTIONS

As required by OSHA Standard CFR Part VI Chapter XXII 1917.45[K].

- 3.1 General condition inspections serve the purpose of verifying that equipment is sound and/or determining if some corrective measures are required. The following inspections fall into this category:

##### 3.2 Pre-Operational Inspections

- 3.2.1 Pre-operational inspections are to determine if the crane is in suitable operating condition to properly and safely function during a vessel loading and discharge operation. This inspection entails a quantity check of necessary fluids, functional check of power and motor units, brakes and safety devices, and an operational check of moving and hoisting components.

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Crane Inspection  
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3.2.2 A pre-operational inspection will be made prior to each vessel's loading and discharge operation.

3.2.3 Items to be included in a pre-operational check are listed on the report form "PRE-OPERATIONS REPORT", (example on Page 19).

3.3 Visual Inspections

3.3.1 Visual inspections are to determine the physical integrity of the crane for supporting the loads and accompanying stresses imposed by operations.

3.3.2 Visual inspections are to be performed monthly.

3.3.3 Visual inspections shall include, but not be limited to, the following:

- a. Physically sighting steel members for buckling, cracking, corrosion or other signs of distress.
- b. Examining joints for cracked welds or pins, loose or deteriorated bolts.
- c. Checking wire rope for kinks, strand breaks, wear or stretch.
- d. Examining glass windows for breakage.
- e. Twistlocks for any signs of fatigue.
- f. Electric cables, including festoon systems, for damage or wear.

3.3.4 Results of visual inspections are to be entered in a log kept at the terminal.

3.4 Semi-Annual Inspection

3.4.1 Semi-annual inspections are to be performed in conjunction with the monthly inspection every sixth month. This inspection goes into more depth in establishing the overall condition of the crane.



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3.4.2 In addition to items covered in the monthly inspection, the semi-annual inspection shall include inspection of:

- a. Wheels, wheel flanges, sheaves and drums for cracks, wear and flat spots.
- b. Rails for looseness or wear.
- c. Pins and axles for alignment, loose keys and bolts.
- d. Gears for chips, wear, pitting, spalling.
- e. Brake linings, linkage and drums for wear.
- f. Hydraulic lines for leakage or damage.
- g. Twistlocks shall be removed and sent for Non-Destructive Testing. A spare set, which shall have been tested, shall be substituted to reduce crane service time.
- h. Power collectors and conductors shall be inspected for wear, damage and tightness, contactors for pitting.
- i. As far as practical, interiors of girders, legs and other structural members shall be inspected for cracks, rust and condensation.
- j. Condition of painted surfaces shall be noted for damage, cracks or rust.
- k. Oil samples shall be taken for analysis.

3.4.3 Reports of the semi-annual inspection shall be kept at the terminal with a copy sent to PRPA's Operations Department.

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3.5 Annual Inspection

- 3.5.1 Annual inspections incorporate all of the previously noted inspections and are required by federal law to be performed by an accredited Department of Labor Inspector.
- 3.5.2 Refer to Section Four for future requirements for regulatory inspections.
- 3.5.3 Reports of annual inspections shall be forwarded to PRPA's Operations Department.

REGULATORY REQUIRED INSPECTIONS

4.1 Regulatory Agencies

- 4.1.1 The federal government has laws regulating the construction, use and inspection of container gantry cranes. These regulations are hereby made a part of this manual.
- 4.1.2 Pennsylvania and Philadelphia have regulations pertaining to cranes. These regulations are hereby made a part of this manual.
- 4.1.3 Where multiple regulations are in effect, most governing bodies will accept one inspection, usually the more stringent specification to ensure compliance with all laws.

4.2 U.S. Department of Labor Regulations

- 4.2.1 These regulations are promulgated under the Occupational Safety & Health Administration (OSHA) Standards in the Code of Federal Regulations, Part VI, titled "Marine Terminals, Final Rule" effective October 3, 1983, Chapter XVII, 1917.50.



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4.2.2 **NOTE:** OSHA INSPECTIONS SHALL BE SCHEDULED IN CONJUNCTION WITH PRPA'S OPERATIONS DEPARTMENT SO THAT A DEPARTMENT REPRESENTATIVE MAY PARTICIPATE. THE NAME OF THE INTENDED INSPECTOR OR FIRM SHALL BE SUBMITTED TO THE OPERATIONS DEPARTMENT FOR APPROVAL.

4.2.3 The main requirements of the OSHA regulations are that an accredited inspector:

- a. Annually inspect the crane visually for structural integrity, fitness of wire ropes and running gear, operation of all brakes and safety devices;
- b. Quadrennially proof-load test the crane and lifting devices (spreaders) at 125 percent of rated safe working load;
- c. Proof-load test and visually inspect after major repairs or alterations;
- d. Issue the appropriate certificates after each test or inspection for posting in the crane cab.

4.2.4 The intent of these regulations is to ensure a safe working environment. Following the aforementioned PRPA policy, all cranes should be maintained to OSHA standards at all times.

4.2.5 To assure compliance with OSHA Regulations:

- a. Current inspection certificates shall be displayed in a protective holder in each crane cab.
- b. Test certificates shall be obtained from the manufacturer for any wire rope installed on cranes and kept on file in PRPA's Operations Department identifying the rope and date installed.

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- c. Crane serial number and rated capacity shall be prominently displayed in the operators cab and on the crane sill beam.
- d. Each spreader shall be identified and shall have its safe working load shown in a prominent location.

4.2.6 Copies of the OSHA inspection reports and certificates are to be filed with PRPA's Operations Field Representative and Operations Department.

5. REPAIR OR OPERATION VERIFICATION INSPECTIONS

5.1 Initial Repair Inspection

5.1.1 The initial repair inspection is to determine what specific repair and/or maintenance tasks are to be performed on a particular component on the crane. The results of the inspection are used to (1) schedule work load, (2) determine parts requirements, (3) ensure all required work is accomplished in the time frame allotted, and (4) provide a record of work.

5.1.2 This inspection will be performed for any major repair and can be extended to minor repairs to assist in planning and monitoring work.

5.1.3 Results of this inspection are to be recorded on the Major Repair Report (example on Page 21).

5.2 In-Process Repair Inspection

5.2.1 In-process repair inspections are to be conducted on a sampling basis to ensure repairs are being accomplished correctly.

5.2.2 No form is used for this inspection.





### 5.3 Final Repair Inspection

- 5.3.1 Final repair inspections are used to determine that all required repairs have been accomplished in a proper manner.
- 5.3.2 Final inspection will be performed on all components having undergone repair and will include checks for completeness, soundness and proper operation if applicable.
- 5.3.3 Certain repairs will require a reinspection by federal inspectors under Dept. of Labor regulations before a crane may be returned to service. Refer to Part Four (Page 9) of this section for requirements.

## 6. SPECIAL INSPECTIONS

- 6.1 Special inspections are for a particular investigation of a specific facet or component of a crane. They are over and above regular inspections even though they might be on a scheduled basis.
  - 6.1.1 Non-destructive test (NDT) inspections will be specified for establishing the integrity of a member or a weld when there is reason to suspect internal flaws or fatigue or to verify the soundness of a repair. These inspections will entail the use of dye penetrants, ultrasonic or fluoroscopic devices, X-rays or other procedures and will normally require the services of a competent technical testing laboratory.
  - 6.1.2 Operational inspections on machinery and equipment by qualified experts, usually manufacturers' technical representatives may be required to establish their condition and conformity with specifications.
- 6.2 Special inspections of whatever nature will be scheduled as needed after joint determination by the terminal operator and PRPA's Operations Department. These inspections may require use of outside services. The crane maintenance department will provide aid and assistance to facilitate these inspections.

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6.3 Reports of the results of special inspections shall be submitted with an additional copy to PRPA's Operations Field Representative so evaluation may be made toward modifying or amending maintenance procedures.





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### **SECTION THREE**

## **MAINTENANCE & REPAIR RECORDS AND REPORTING**



3.1 Crane Maintenance Work Order (Deleted)

3.2 Pre-Operations Report (OSHA Requirement 1917.45[K])

The Pre-operations Report (example on Page 19) is for recording activity surrounding a ship operation, the pre-operational inspection, the operation, and the post-operational securing. The following data is to be recorded:

- 3.2.1 Terminal location.
- 3.2.2 Vessel name.
- 3.2.3 Date of operation.
- 3.2.4 Crane identification.
- 3.2.5 Crane hour meter readings at start and finish.
- 3.2.6 Pre-operational inspection check list.
- 3.2.7 Post-operational securing of crane check list.

3.3 Down-Time Report

The Down-Time Report (example on Page 20) is to be completed to report any stoppage of operations for a crane-related cause, whether it be a crane malfunction or damage to the crane. The report is to include the following information:

- 3.3.1 Terminal location.
- 3.3.2 Crane identification.
- 3.3.3 Date.
- 3.3.4 Vessel.
- 3.3.5 Name of person(s) who reported problem to crane maintenance department, e.g. operator, pier superintendent.



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- 3.3.6 Time that the report was received by the crane maintenance department.
- 3.3.7 Description of problem by person(s) reporting it.
- 3.3.8 Initial diagnosis by crane maintenance department based on report received and first inspection.
- 3.3.9 Corrective action taken by crane maintenance department.
- 3.3.10 Parts and material used.
- 3.3.11 Manhours expended.
- 3.3.12 Time crane returned to service.
- 3.3.13 Remarks by mechanic(s) - include opinion as to cause and suggest ways to prevent recurrence.
- 3.3.14 Mechanic's signature.
- 3.3.15 Remarks by crane maintenance supervisor to clarify description of problem or correction thereof, including opinion as to cause and prevention.
- 3.3.16 Signature of Crane Maintenance Supervisor.

3.4 Major Repair Report

The Major Repair Report (example of Page 21) is to be used to record repairs or replacements of a magnitude that requires removal of the crane from service or requires more than one day to complete. The following information is to be included:

- 3.4.1 Terminal Location.
- 3.4.2 Crane Identification.
- 3.4.3 Date Project initiated.
- 3.4.4 Report number - terminal file number (sequentially numbered).

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- 3.4.5 Reason for repair - if damage or failure occurred during operations, refer to the Down Time Report, otherwise state reason for project, e.g. 5,000 hour overhaul, cracked weld discovered during inspection, etc.
- 3.4.6 Cause, if not normally programmed maintenance, e.g. struck by vessel or vehicle, corrosion, etc.
- 3.4.7 Repairs performed.
- 3.4.8 Manhours expended.
- 3.4.9 Materials and parts used.
- 3.4.10 Outside services utilized, e.g. machine shop, contract labor, testing lab.
- 3.4.11 Date available for service.
- 3.4.12 Total cost of project.
- 3.4.13 Remarks to include opinions as to cause and prevention.
- 3.4.14 History of previous occurrence.
- 3.4.15 Signatures of mechanic and/or supervisor.

3.5 Container Crane Operation Log

The Container Crane Operation Log (example on Page 22) is to be used to record the crane's cargo working hours. Each crane shall be monitored individually and the following information is to be included:

- 3.5.1 Date/time - beginning and end of vessel operation.
- 3.5.2 Crane identification.
- 3.5.3 Terminal (location).
- 3.5.4 Hour meter readings at beginning and end of operation.



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- 3.5.5 Date of shipboard operations, times, work  
stoppage, name of vessel worked.
- 3.5.6 Total hours for month (running log).
- 3.5.7 Year-to-date total hours (total operation  
hours plus previous grand total).

**DAILY MAINTENANCE REPORT**  
**CRANE NO.:** \_\_\_\_\_ **TERMINAL:** \_\_\_\_\_

DATE	DESCRIPTION	MECHANIC	HRS.	MATERIAL
UN.				
DN.				
JES.				
ED.				
IUR.				
I.				
T.				



## OPERATION LOG

Date     /    /     thru     /    /    

[illegible]



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DOWN TIME REPORT

Report No. \_\_\_\_\_ Terminal \_\_\_\_\_ Vessel \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_ Time \_\_\_\_\_

Reported By \_\_\_\_\_

Reported As: \_\_\_\_\_

Initial Diagnosis: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

Parts Used: \_\_\_\_\_

\_\_\_\_\_ed: \_\_\_\_\_

Time Returned To Service: \_\_\_\_\_

Remarks: \_\_\_\_\_

\_\_\_\_\_  
Mechanic/Shift

Crane Supervisor Remarks: \_\_\_\_\_

\_\_\_\_\_  
Crane Supervisor





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## **SECTION FOUR**

### **RECORDS & REPORTS - PREVENTIVE MAINTENANCE (PM)**

## **SECTION FOUR -**

### **RECORDS & REPORTS - PREVENTIVE MAINTENANCE (PM)**



Philadelphia Regional  
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#### **1. Purpose & Scope**

- 1.1 The purpose of this procedure is to provide information on the condition of the container gantry cranes at each terminal under PRPA's jurisdiction.
- 1.2 This procedure is applicable to all crane maintenance and repair activity on all cranes under PRPA's control, whether owned or leased and whether maintained by PRPA forces or contractor.

#### **2. General**

- 2.1 Input to the system is largely based on information generated by the General Crane Maintenance and Repair Section (Section One) and recorded and reported on standard forms noted herein in a timely manner.

#### **3. Procedure**

- 3.1 The terminal operator and/or PRPA Operations Department shall establish a fixed maintenance schedule based on the manufacturers' recommendation. These schedules shall be based on either a fixed time interval or on equipment usage by hour.
- 3.2 The various report forms are self-explanatory and inspections shall be performed as noted on each of the inspection reports. All reports shall be completed by the Crane Maintenance Supervisor or appropriate PRPA Operations Department personnel, unless otherwise directed by supervisory personnel.

#### **4. Reporting**

Copies of all reports are to be forwarded to PRPA's Operations Field Representative on the following schedule:

- 4.1 Daily Maintenance Reports - Weekly.
- 4.2 Pre-operations Reports - Weekly.
- 4.3 Down Time Reports - Monthly, with the Container Crane Operations Log or when determination is made that crane will be out of service pending major repairs.



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4.4 Major Repair Reports - Upon completion of repairs.

4.4.1 This form may be used to detail contemplated repairs before the fact and then should be marked "Preliminary".

4.5 Preventive Maintenance Forms - Monthly.

4.6 Container Crane Operation Log - Monthly.

## 5. Report Forms

5.1 Container Crane Check-off List - Weekly (optional use with no vessel activity during week).

5.2 Container Crane Check-off List - Monthly.

5.3 Container Crane Check-off List - Quarterly.

5.4 Container Crane Check-off List - Annually (in concert with OSHA inspections).

5.5 Motor Speed & Load Check.



CONTAINER CRANE CHECK-OFF LIST (WEEKLY)

Date Checked \_\_\_\_\_

Checked By \_\_\_\_\_

Back

	LT	ST	Twin	
Limit Switch				-Machinery House-
t Switch				Main Hoist Pillow Blocks
d Stop				Main Hoist Open Gears
Limit Switch				Trolley Pillow Blocks
				Boom Hoist Open Gears
				-Lift Beams-
				Lubricate all Fittings
	20	20	40	Spreader & Head Blocks
				Flipper-Gear Segments
				-Visually Inspect-
				Trolley Tensioner Units
hes				Hydraulic Level
s				Operation
				-Lift Beam-
n				Tightness of All Bolts
n				Cracked or Broken Welds
				Hydraulic Fluid Level
Operational				Hydraulic Leaks, Cracked Hoses
				Level/Parallel
				-Brakes-
				Main Hoist Shoes - Operational
				Trolley Shoes - Operational
				Boom Shoes - Operational
Rever - Stop				
for top				Generator Hour Meter
nd				Hoist Hour Meter
se				Aux. Diesel Hour Meter
				Comments:
Light				
m				
Switch				
Operational				
g Lights Working				
s Working				
lood Lights Working				
orking				
ency Stops				
rs Charged & in Place				Received By:
s Flash, House				
te-				
s				
aves				
Rope Clamps				Approved By:
m:				
eaves				
st				
s				

Exhibit K

4

Exhibit C

Exhibit D

Exhibit E

Exhibit F

Exhibit G

Exhibit H

Exhibit I

Exhibit J



# CONTAINER CRANE CHECK-OFF LIST (MONTHLY)



Form I.O. No. \_\_\_\_\_

Date Checked \_\_\_\_\_

Checked By \_\_\_\_\_

LUBRICATE-		COMMENTS:						
Hoist Sheaves A Frame								
Latches A Frame								
Stop Limit Switches								
Plungers								
Hydraulic Unit for Latches								
Hoist Sheaves								
Forestays								
Hinge Pins								
Hoist Pillow Blocks								
Factor Rollers								
Rollers on Trolley								
Electrical Cable Trolley to Spreader								
Open Gearing								
Electrical Contacts for Wear								
Control Panel for Loose Connections								
Brake Adjustment								
Generator Cab for Loose Connections								
GENERATOR INSPECTION-								
Check each listed unit for the following:								
a) Electric motor/generator for grease leakage								
b) Brush length								
c) Commutators are smooth and even brownish color								
d) Insulation for cracks								
e) Connections are tight								
f) Space heaters are working								
g) Belts are free of dust and dirt								
STATUS IN EACH BLOCK-		A	B	C	D	E	F	G
Hoist Motor Left								
Hoist Motor Right								
Trolley Motor								
Hoist Motor								
Generator								
Generator								
Generators Number 1 thru 8								
ROPE INSPECTION-								
Check all wire ropes for the following:								
a) Broken individual wires								
b) Bends and kinks								
c) Sufficient lubrication								
STATUS IN EACH BLOCK-		A	B	C				
Hoist Right								
Hoist Left								
Trolley								
INSPECTED BY:								
REMOVED BY:								

Checked By \_\_\_\_\_

**P**

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Checked By \_\_\_\_\_

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## SECTION FIVE

### TERMINOLOGY AND DEFINITIONS

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## MOTOR SPEED AND LOAD CHECK

I.D. No. \_\_\_\_\_ Date Checked \_\_\_\_\_ Checked By \_\_\_\_\_

MAIN HOIST 40 FT-	MOTOR R.P.M.	HOIST MOTOR VOLTAGE	HOIST MOTOR AMPERES	GEN FIELD VOLTS	MOTOR FIELD AMPERES
No Load					
in No Load					
w/Load					
in w/Load					

MAIN HOIST RIGHT 20 FT-	MOTOR R.P.M.	HOIST MOTOR VOLTAGE	HOIST MOTOR AMPERES	GEN FIELD VOLTS	MOTOR FIELD AMPERES
No Load					
in No Load					
w/Load					
in w/Load					

MAIN HOIST LEFT 20 FT-	MOTOR R.P.M.	HOIST MOTOR VOLTAGE	HOIST MOTOR AMPERES	GEN FIELD VOLTS	MOTOR FIELD AMPERES
No Load					
in No Load					
w/Load					
in w/Load					

CRANE HOIST-	MOTOR R.P.M.	MOTOR VOLTAGE	MOTOR AMPERES	TIME CYCLE
No Load				
in				

COLLEY-	MOTOR R.P.M.	MOTOR VOLTAGE	MOTOR AMPERES	MOTOR FIELD AMPERES	GEN FIELD VOLTS
ward					
verse					

ENTRY-	MOTOR R.P.M.	LOOP AMPERES	1 THRU 4 AMPERES	5 THRU 8 AMPERES
ht				
ft				

Date \_\_\_\_\_

SECTION FIVE -

TERMINOLOGY AND DEFINITIONS



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1. Abalone Cable Colloquialism referring to flexible multi-conductor electric cable connecting spreader to trolley. (See Baloney and Umbilical)
2. A Frame Upper portion of crane main structure with legs slanting inward.
3. Aircraft Warning Light Red lights on uppermost portion of crane and the end of the boom when in the raised position (to meet FAA Regulation).
4. Anemometer Wind velocity indicator.
5. Anti-Sway A device to mechanically dampen the pendulum effect of trolleying spreader.
6. Articulated Boom Boom that is hinged in middle, and folds on raising to reduce overall height. Used in proximity of air fields.
7. Backreach Portion of boom which is inshore of main crane structure.
8. Backstays Diagonal guys tying backreach to ~~to~~ frame. Can be cable or steel members.
9. Baloney Cable See Abalone.
10. Basket A cylindrical tube and frame to use to collect and store the power cable (abalone, baloney, umbilical) as spreader is raised.
11. Boom Horizontal structure supporting the trolley rails.
12. Boom Hinge Pivot point for luffing boom.
13. Boom Hoist Mechanism for raising luffing boom consisting of motor reducing gears, drum, brakes, cables, sheaves.
14. Boom Latch Locking device used to hold boom in raised position.



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- |                             |  |
|-----------------------------|--|
| 15. <u>Boom Travel</u>      | Horizontal distance moved in or out by shuttle booms.  |
| 16. <u>Bumper</u>           | Energy absorbing device to limit impact at end of travel. Used on trolley, gantry and shuttle booms.   |
| 17. <u>Bus Bar</u>          | Electric power feed rail. (See Collector Rail)   |
| 18. <u>Cab</u>              | Operators' compartment.  |
| 19. <u>Collector</u>        | Pick-up shoe for electric power, which slides along collector rail.  |
| 20. <u>Collector Rail</u>   | Electric power conductor bar for feeding through sliding contactor or shoe.  |
| 21. <u>Current Limiting</u> | Overload protection by restricting the amperage on a motor.  |
| 22. <u>Dead Stop Limit</u>  | Mechanically actuated control to stop a motion at absolute maximum travel. Usually refers to upper hoist position.   |
| 23. <u>Emergency Gear</u>   | Individual units, usually wire rope, connected either to twist locks or padeyes used to handle containers that the spreader cannot connect to because of overheight, odd size or damage.   |
| 24. <u>Emergency Stop</u>   | Switch located at ground level, at the boom hoist station, and in the operator's cab, which shuts off all crane motions.   |
| 25. <u>Equalizer</u>        | Beam connecting two members to spread an imposed load between them; such as a corner load imposed on main equalizer, which connects two secondary equalizers each of which connects two gantry trucks, thus spreading the corner load over eight wheels. |
| 26. <u>E Stop</u>           | Emergency Stop.  |

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27. Expandable                      Spreader that can be remotely controlled to adjust its size to handle from 20 foot to 40 foot containers.
28. Festoon                         A series of power cables used to feed a traveling unit, such as trolley or boom. It is connected at both ends with bights of cable carried between on a series of rolling hangers to prevent sag of cable when unit is in retracted position.
29. Fixed Beam                    Solid spreader frame of one size container. Must be changed to handle different size containers. Usually married to a quick-disconnect fixed head block.
30. Flipper                         Remotely controlled gathering arm to assist the positioning of a spreader on a container. Can be retracted for entry into the ship cell guides.
31. Forestay                        Support for luffing boom when the boom is in the lowered position. It connects the boom to the A frame. May be cable, bar or tube hinged to fold when boom is raised.
32. Gantry                            (a) The motion of travel of the entire crane along its track on the pier.  
  
    (b) The wheel and drive assembly producing such travel.
33. Gantry Brake                   The mechanical holding device to prevent motion of the gantry drive, usually on the motor.
34. Gantry Drive                   Motor and gear train transmitting power to the gantry wheels.
35. Gantry Truck                   A set of wheels and their carriage assembly supporting an equalizer beam, may be driven or non-driven (idler).



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36. Gathering Arm Pivoted member which can be swung across underside of articulated boom to hold cables in place when boom is raised.
37. Generator or Alternator Power driven producer of electric current. Generator refers to director current (DC) electricity; whereas, alternator refers to alternating current (AC) electricity.
38. Head Block Framework used to hold the main hoist sheaves which are connected to the spreader. Allows for the disconnecting of the spreader without disturbing sheave spacing and arrangement.
39. Heavy-Lift Hook Device hung from spreader or in place of the spreader with a hood for lifting slung loads.
40. Hoist Mechanical system engaged in lifting and lowering the load. It includes motor(s), gear reducer, drums, brakes, cables and sheaves.
41. Joy Stick Master control lever in operators' cab.
42. Jumper Temporary cable connecting two terminals bypassing an inoperative intermediate function. Jumpers are used during emergency situation while working on the equipment and for test purposes only.
43. Legs Main vertical frame members of crane.
44. Low Profile Designation of crane configuration maintaining minimal vertical elevation, usually of shuttle boom type.
45. Luffing Boom Boom configuration that is hinged at the main frame and is lifted to approximate vertical position for stowage.
46. Machine House Compartment housing the control panels, motors, generators, and, in some cranes, drums and engines.



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MG Set

Short for Motor Generator. Unit comprised of generator and its drive, either an electric motor or a fossil fuel engine.

Outreach

Extent of trolley travel outshore of wharf.

Portal Beam

Lower crossmember of crane structure (below the boom) transversed (at 90 degrees) to line of wharf, connecting landside leg to waterside leg.

Quadrant Gear

Segment of gear in the actuating drive for flippers.

Quick Disconnect  
Head Block

Head block fitted with twist locks and snap plugs for electric and hydraulic lines providing for the rapid switching of spreaders.

SCR

Silicon controlled rectifier. Solid-state, semi conductor electronic component controlling current flow.

Secondary  
Equalizer

Beam connecting main equalizer to the gantry trucks.

Sensor

Interlocking device, mechanical or electronic, used to prevent the hoisting of the spreader if the twistlock is not properly engaged in container.

Shore Power

Electric connection to power source on wharf to energize lights and heaters when crane is shut down.

Shuttle Boom

Boom structure that moves horizontally extending over berth or retracting into the backreach position to clear berth.

Sill Beam

Lower horizontal members on crane structure (below the boom) to line of wharf; one connecting both waterside legs, one connecting both landside legs.



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58. Slow Down Limit Electric switch causing reduction in speed of any motion as it approaches the end of travel.
59. Spreader Structure that is hung from hoist blocks with remotely controlled devices to engage container.
60. Stays Bracing supports for boom extensions. (See Forestay and Backstay).
61. Telescoping Spreader Same as Expandable.
62. Tie Down Device for locking the crane to the wharf to prevent movement in high winds. Most applications are heavy pins to prevent lateral movement. In hurricane or typhoon prone areas, additional devices in the form of turnbuckles and hooks are provided to prevent vertical movement.
63. Trolley (a) Wheeled carriage which travels along boom to position the main hoist wire ropes and spreader over the load.  
(b) Motion of traversing along boom.
64. Trolley Drive Method of propelling trolley.  
(a) Driven: self-propelled by motors and reduction gears on trolley.  
(b) Towed (Rope Driven): moved by cables pulled from drums located and driven in the machine house.
65. Trolley Rail Rail on which the trolley wheels roll; the path of wheel travel for the trolley support on the boom structure.
66. Twist Lock ISO standard T-shaped pin machined to exact tolerances located at each corner of the spreader which penetrates the container corner casting, and is hydraulically turned 90 degrees to engage shoulders of casting, and lifts containers.

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7. Umbilical Cord Power cable to spreader (See Abalone).
8. Up-Stop Limit Electric switch used to halt the hoisting of the spreader at predetermined safe position (See Dead Stop Limit).
9. Variac Nomenclature for master control in operators' cab which controls multiple functions from one lever (Acronym for variable AC control device).
0. Wind Alarm Audible signal actuated by anemometer at predetermined wind velocity indicating approach of unsafe operating condition requiring tie down of crane.
1. Wind Chock Automatically setting mechanism that chocks the gantry drive wheels while crane is in the load and discharge operating position to prevent gantry movement in event of sudden gust exceeding gantry brake requirements.

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